

## Lease

THIS INDENTURE, made and entered into this 6th of July, 1998, by and between CITY OF SHELBY, a municipal corporation of the State of Montana, Shelby, Montana, hereinafter referred to as "LESSOR", and MARIAS VALLEY GOLF AND COUNTRY CLUB, Box 784, Shelby, Montana, hereinafter referred to as "LESSEE";

### WITNESSETH:

That for and in consideration of the payments herein agreed to be made, and the covenants and conditions on its part agreed to be kept by the Lessee, the Lessor has leased and let and by these presents does hereby lease and let unto the Lessee, and the Lessee hereby agrees to lease from the Lessor, the following described real property located in the County of Toole, State of Montana, to-wit:

Township 31 North, Range 2 West, MPM  
Section 19: Lots 7, 8, 10, 11, 22, 23  
Section 20: Lots 3 and 4  
West  $\frac{1}{2}$  NE  $\frac{1}{4}$ , NE  $\frac{1}{4}$  NE  $\frac{1}{4}$   
A parcel of land containing approximately 264 acres

TO HAVE AND TO HOLD unto the said Lessee for and during the full term of twenty five years commencing on the 1<sup>st</sup> day January, 1998, and ending on the 31<sup>st</sup> day of December, 2023, at the total annual rent of One Thousand Two Hundred and no/100ths Dollars, (\$1,200.00) payable on or before the 9<sup>th</sup> day of January each and every year.

IT IS FURTHER AGREED between Lessor and Lessee that this Lease will be automatically renewed at the conclusion of the initial term, for two successive ten (10) year periods, the terms and conditions of said Agreement to be re-negotiated at that time.

FURTHER, it is hereby agreed that the yearly lease payment derived by Lessor from the leasing of said property to Lessee shall be dedicated solely to the continued development and improvement of said property as a recreational facility.

IT IS FURTHER AGREED that any funds derived from said property by Lessor in any other manner or that may be contributed to Lessor for and on behalf of said property, shall also be dedicated solely to the continued development and improvement of said property as a recreational facility.

In consideration hereof, the Lessee agrees as follows:

To pay the lease payments provided herein at the times and in the amounts herein provided.

To keep and maintain the above described premises in as good a condition as the same are in at this time or as they may be put during the term hereof, and at the expiration of said term to deliver up and surrender said premises to Lessor in good condition, reasonable wear, tear and damage by the elements excepted. Lessee agrees that it will use its best efforts to expand and improve the facilities hereby leased and to operate the same in a good and businesslike manner.

To operate and maintain said premises as a municipal golf course and to permit and encourage members of the general public to utilize said premises for such purposes at any and all times, subject however, to reasonable golfing rules and regulations promulgated by the Lessee including scheduling of league and tournament play, and further subject to the payment of reasonable green fees charged by the Lessee for such use.

It is understood and agreed that the Lessee may charge a reasonable daily green fee to those persons of the general public desiring to use said golfing facility. In addition, it is understood and agreed that the Lessee may allow its members usage of said golfing facility upon compliance with the terms of Lessee's membership requirements. However, Lessee agrees that its membership requirements shall contain no provisions discriminating against any person by reason of age, race, sex, or religion.

It is further understood and agreed that the Lessee shall have the exclusive use and supervision of all the buildings on said premises. It is further understood and agreed that Lessee shall promptly notify the Lessor of any material structural improvements made to any buildings on the premises. This provision in no way requires Lessee obtain the prior approval of the Lessor for such improvements.

The Lessee promises and agrees to pay all charges for electricity, fuel and other utilities used upon said premises. Lessee further agrees to maintain fire and extended coverage insurance covering the Club House, the north cart barn, the south cart barn, the shop the restroom adjacent to hole #5, and the restroom adjacent to hole #11, in an amount that represents at least ninety percent (90%) of the replacement value of each respective building. Lessee further promises to carry liability insurance naming both Lessor and Lessee as insured in the amount of \$1,000,000.00 for any one occurrence for commercial general liability coverage, said insurance to include coverage for bodily injury and property damage, products and completed operations, and personal injury and advertising injury and liquor liability arising from usage of the leased facilities by persons of the general public or Lessee's members. Lessee shall furnish Lessor in February of each year proof that said fire, extended coverage, and liability insurance is in fact in place.

In the event that Lessee shall default on any of its obligations required to be performed under this Lease Agreement, then Lessor shall give Lessee thirty (30) days notice in writing stating what provision is in default and demanding that said default is timely cured, then this Lease shall continue in effect as if no default had taken place. If said default is not timely cured, then Lessor shall take whatever appropriate measures it feels fit, including, but not limited to, taking possession of said leased property. Lessor is entitled to take all measures available to it under the laws of the State of Montana.

It is understood and agreed that Lessee will not assign this Lease or any part hereof not let or sublet the said premises nor any part thereof without first obtaining written consent from the Lessor therefor.

All of the aforesaid agreements, covenants, and conditions shall apply to and be binding upon the parties thereto, and their successors and assigns.

IN WITNESS THEREOF, the parties hereto have caused these presents to be executed the day and year first above written.

ATTEST:

*Joanne Wright*  
Joanne Wright, City Clerk

CITY OF SHELBY

By *Larry Bonderud*  
Larry Bonderud, Mayor

LESSOR

ATTEST:

*Loretta J. Schoendaller*  
Loretta J. Schoendaller, Secretary

MARIAS VALLEY GOLF AND  
COUNTRY CLUB

By *Steve Nichols*  
Steve Nichols - President

LESSEE

State of Montana )  
 :ss  
County of Toole )

On this July 6, 1998, before me, the undersigned, a Notary Public, in and for the State of Montana, personally appeared LARRY BONDERUD, Mayor of the City of Shelby, known to me to be the person whose name is subscribed to the foregoing document, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal that day and year first hereinabove written.

(Notary Seal)

Sammy Pederson  
Notary Public for the State of Montana  
Residing at Shelby, Montana  
My Commission expires 3-10-00

State of Montana )  
 :ss  
County of Toole )

On this 30<sup>th</sup> of July, before me, the undersigned, a Notary Public, in and for the State of Montana, personally appeared STEVE NICHOLS and LORETTA J. SCHOENDALLER, known to me to be the President and Secretary respectively, of MARIAS VALLEY GOLF AND COUNTRY CLUB, a Montana corporation, and acknowledged to me that executed the foregoing document for and on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first hereinabove written.

(Notary Seal)

John L. Barty  
Notary Public for the State of Montana  
Residing at Shelby, Montana  
My Commission expires 11/15/98

Montana League of Cities and Towns (MLCT)  
700 W Custer Ave (59602)  
PO Box 7388  
Helena MT 59604-7388



Phone: (406) 442-8768  
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[www.mtleague.org](http://www.mtleague.org)

November 9, 2016

Mayor Larry Bonderud  
City of Shelby  
112 1<sup>st</sup> St S  
Shelby, MT 59474

Dear Mayor Bonderud,

Please find a finalized copy of the audited financial statements and supplemental information prepared by Junkermier, Clark, Campanella, Stevens, P.C. of the Montana League of Cities and Towns for the 2015-2016 Fiscal Year within this envelope. If there are any questions or comments with these financial statements, please contact Tim Burton or myself.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Haswell".

Nick Haswell, Accounting Technician  
Montana League of Cities and Towns | Montana Municipal Interlocal Authority

**MONTANA LEAGUE OF CITIES AND TOWNS**

**AUDITED FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION**

**June 30, 2016 and 2015**



ACCOUNTING  
AUDIT  
TAX  
EMPLOYEE BENEFITS  
SPECIALIZED SERVICES

September 25, 2016

To the Board of Directors  
Montana League of Cities and Towns  
Helena, Montana

In planning and performing our audit of the financial statements of Montana League of Cities and Towns as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Montana League of Cities and Towns's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be a material weakness. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

#### **Other Communications Required by Professional Standards**

We have audited the financial statements of Montana League of Cities and Towns for the year ended June 30, 2016 and have issued our report thereon dated September 25, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 11, 2016. Professional standards also require that we communicate to you the following information related to our audit.

24 W 6th Ave / Helena, MT 59601

Office: (406) 442-6901 / Fax: (406) 442-9690 / [jccscpa.com](http://jccscpa.com)



Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Montana League of Cities and Towns are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was depreciation.

Management's estimate of depreciation is based on the estimated useful lives of the depreciable assets. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered In Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached Schedule A identifies all corrected misstatements. Adjustments 1 was a material misstatement detected as a result of audit procedures, and was corrected by management.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Board of Directors  
Montana League of Cities and Towns  
September 25, 2016

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#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 25, 2016.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Current Year Comments

##### *Fixed Assets*

During the current audit, we noted the one-seventh interest in the League's new office building had not been recorded as a fixed asset in the current year. See AJE 1 to add the building to fixed assets.

##### *Recommendation*

We recommend all significant fixed asset purchases be analyzed for proper recording.

##### *Long-Term Liabilities*

During the current audit, it was discovered that the contract for deed, which corresponds to the building purchase noted above, was not set up as a long-term liability on the balance sheet, and the payments were being expensed instead of reducing the liability. In addition to adjustment number 1, as mentioned above, adjustment number 2 has also been proposed to adjust the balances.

##### *Recommendation*

We recommend all long-term liability accounts be properly reviewed to ensure correct recording of all related balances.

Board of Directors  
Montana League of Cities and Towns  
September 25, 2016

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Status of Prior Year Comments

*Accrued Compensated Absences*

During the prior year audit, we noted the amount for accrued compensated absences had not been adjusted during the year.

*Status*

We propose AJE 4 to adjust the current year accrued compensated absences balance. We recommend the calculation for accrued compensated absences be performed and properly reviewed as of year end to ensure it is being calculated correctly.

This information is intended solely for the use of the Board of Directors and management of Montana League of Cities and Towns and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

***Junkermier, Clark, Campanella, Stevens, P.C.***

Helena, Montana

Montana League of Cities and Towns

Year End: June 30, 2016

Adjusting journal entries

Date: 7/1/2015 To 6/30/2016

SCHEDULE A

Number	Date	Name	Account No	Debit	Credit
1	6/30/2016	Building	170	228,800	
1	6/30/2016	Contract for Deed	225		228,800
To record purchase of building.					
2	6/30/2016	Contract for Deed	225	12,420	
2	6/30/2016	Building Contract Payments	540		12,420
Reclass contract for deed payments.					
3	6/30/2016	Accumulated Depreciation	190		5,622
3	6/30/2016	Depreciation	528-10-0	5,622	
Record depreciation expense.					
4	6/30/2016	Accrued Employee Benefits-Unres	202		1,745
4	6/30/2016	Executive Director	502	1,745	
To adjust accrued vacation and sick leave.					
				248,586	248,586
Net Income (Loss)			21,002		

**MONTANA LEAGUE OF CITIES AND TOWNS  
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ACCOUNTING  
AUDIT  
TAX  
EMPLOYEE BENEFITS  
SPECIALIZED SERVICES

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Montana League of Cities and Towns  
Helena, Montana

We have audited the accompanying statements of financial position of Montana League of Cities and Towns (a nonprofit organization), as of June 30, 2016 and 2015, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

24 W 6th Ave / Helena, MT 59601

Office: (406) 442-6901 / Fax: (406) 442-9690 / [jccscca.com](http://jccscca.com)

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montana League of Cities and Towns, as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Junkermier, Clark, Campanella, Stevens, P.C.*

Helena, Montana  
September 25, 2016

**MONTANA LEAGUE OF CITIES AND TOWNS  
STATEMENTS OF FINANCIAL POSITION**

	June 30	
	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 89,151	\$ 98,249
Certificates of deposit	315,470	313,914
	404,621	412,163
<b>PROPERTY AND EQUIPMENT</b>		
Building	228,800	-
Vehicle, equipment, furniture and fixtures	13,053	13,053
Less accumulated depreciation	(18,675)	(13,053)
	223,178	-
Total assets	\$ 627,799	\$ 412,163
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Amount payable to City Management Association	\$ 401	\$ 900
Accounts payable	2,812	171
Accrued employee benefits	7,032	22,040
Deferred revenue - dues	28,343	36,483
Deferred revenue - associate member dues	5,500	6,240
Current portion of contract for deed	12,420	-
	56,508	65,834
<b>LONG-TERM LIABILITIES</b>		
Contract for deed, net of current portion	203,960	-
<b>NET ASSETS</b>		
Unrestricted - undesignated	367,331	346,329
Total liabilities and net assets	\$ 627,799	\$ 412,163

See the notes to financial statements.

**MONTANA LEAGUE OF CITIES AND TOWNS  
STATEMENTS OF ACTIVITIES**

	Years ended June 30	
	2016	2015
<b>REVENUE</b>		
Dues	\$ 157,204	\$ 147,378
Associate member dues	8,320	8,000
Advertising and directory service	11,080	1,242
Convention	64,428	49,180
Interest income	1,700	1,972
Miscellaneous refunds and reimbursements	30	3,113
Administration fees	106,405	105,040
	349,167	315,925
<b>EXPENSE</b>		
Administrative and general	328,165	363,553
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	21,002	(47,628)
Unrestricted net assets, beginning of year	346,329	393,957
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	\$ 367,331	\$ 346,329

See the notes to financial statements.

**MONTANA LEAGUE OF CITIES AND TOWNS  
STATEMENTS OF CASH FLOWS**

	Years ended June 30	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 21,002	\$ (47,628)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	5,622	146
(Decrease) increase in:		
Accounts payable	2,641	171
Amount payable to City Management Association	(499)	-
Accrued employee benefits	(15,008)	(49,186)
Deferred revenue - dues	(8,140)	26,998
Deferred revenue - associate member dues	(740)	1,990
	4,878	(67,509)
Net cash from (used by) operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale proceeds of certificates of deposit	-	154,594
Purchase of certificates of deposit	(1,556)	-
	(1,556)	154,594
Net cash from (used by) investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash paid for principal payments on long-term debt	(12,420)	-
	(12,420)	-
Net cash from (used by) financing activities		
<b>NET CHANGE IN CASH</b>	(9,098)	87,085
Cash at beginning of year	98,249	11,164
<b>CASH AT END OF YEAR</b>	\$ 89,151	\$ 98,249
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Purchase of fixed assets	\$ 228,800	\$ -
Loan proceeds	(228,800)	-
	\$ -	\$ -
Net cash paid for fixed assets purchased		

See the notes to financial statements.

**MONTANA LEAGUE OF CITIES AND TOWNS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

The sole purpose of the Montana League of Cities and Towns (the League) is the cooperative improvement of municipal government in Montana. The League serves as an advisory body between municipal officials and state and federal governments and provides a research program to the municipalities.

***Basis of Presentation***

These financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Revenue is recorded when earned, and expenses are recorded when incurred.

In accordance with US GAAP, restricted contributions received and expensed in the same fiscal year are recorded as unrestricted revenues. Under US GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The following describes the Organization's net assets:

**Unrestricted Net Assets** - Net assets available to the Organization for day-to-day activities and not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** - Net assets restricted by time and/or purpose by the donor.

**Permanently Restricted Net Assets** - Net assets contributed with donor stipulations that they be maintained permanently by the Organization.

There were no temporarily or permanently restricted net assets as of June 30, 2016 and 2015.

***Income Taxes***

The League is a non-profit organization exempt from taxation under Internal Revenue Code Section 501(c)(4) except to the extent of unrelated business taxable income. The League did not incur unrelated business income tax for the years ended June 30, 2016 and 2015. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. The Organization's Federal Forms 990 are subject to examination by the IRS, generally for three years after they are filed.

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Due to their prospective nature, actual results could differ from those estimates.

***Cash***

The League considers all unrestricted, highly liquid assets purchased with an original maturity of three months or less to be cash equivalents.

**MONTANA LEAGUE OF CITIES AND TOWNS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Property and Equipment*

The League records purchased property and equipment at cost if purchased or fair value if contributed. Improvements and betterments are capitalized, while repairs and maintenance expenditures are expensed. The League established a threshold of \$5,000 and a useful life of more than one year for capitalization of depreciable assets. Fixed assets are depreciated using the straight-line method over the estimated useful lives:

Buildings	39 years
Office furniture and equipment	5 years

*Dues Revenue*

The League is funded primarily by annual dues paid by incorporated cities and towns in Montana. Annual dues are assessed based on the population size in each city and town.

*Deferred Revenue*

Deferred revenue for dues and associate member dues represents the League's dues for the forthcoming year collected in the current fiscal year.

*Accrued Employee Benefits*

Accrued employee benefits represents the accrual of vested employee vacation and sick leave.

**2. CONCENTRATION OF CREDIT RISK**

The League deposits its cash in financial institutions. Interest bearing account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. At times deposits may exceed FDIC insured limits, and as of June 30, 2016, First Security Bank of Helena has pledged securities as collateral totaling \$400,000 on the portion of the League's certificates of deposit that are not insured by the Federal Deposit Insurance Corporation.

**3. OPERATING LEASE**

The League terminated its lease of office space from Capital One Center, LLC effective July 31, 2015. The League had been under a month to month agreement since 2012.

**4. RELATED PARTY**

The League receives a sponsorship fee from Montana Municipal Interlocal Authority (MMIA) to cover administration costs for services provided to the Authority. The total sponsorship fees for the years ended June 30, 2016 and 2015 were \$106,405 and \$105,040, respectively.

The League has entered into an agreement with MMIA to purchase an undivided one-seventh interest in the building located at 700 W. Custer, Helena, Montana. The League agrees to purchase the property for a total price of \$228,800, to be paid in monthly installments of \$1,035, and each of said installments shall be applied to principal with zero interest. The first installment was due on the 1st day of July, 2015, and the succeeding installments shall be paid on the same day of each month thereafter until the entire purchase price is paid in full.

**MONTANA LEAGUE OF CITIES AND TOWNS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016 AND 2015**

**5. FAIR VALUE MEASUREMENT**

US GAAP establishes a framework for measuring fair value of assets and liabilities in periods subsequent to initial recognition. Fair value is defined under US GAAP as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The standards provide a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under US GAAP are described as follows:

**Level 1** - Quoted market prices in active markets for identical assets or liabilities.

**Level 2** - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities, quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by market data for the full term of the assets or liabilities.

**Level 3** - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

A summary of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30, 2016 and 2015, is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2016:				
Certificates of deposit	<u>\$ -</u>	<u>\$ 315,470</u>	<u>\$ -</u>	<u>\$ 315,470</u>
June 30, 2015:				
Certificates of deposit	<u>\$ -</u>	<u>\$ 313,914</u>	<u>\$ -</u>	<u>\$ 313,914</u>

The following methods and assumptions were used to estimate the value of each class of financial instrument for which it is practicable to estimate that value.

**Cash** - Due to their highly liquid nature, carrying value approximates fair value.

**Investments** - Carrying value approximates fair value based on quoted market prices.

**6. LONG-TERM LIABILITIES**

Contract for deed payable at June 30 is as follows:

	<u>2016</u>	<u>2015</u>
Contract for deed payable to MMIA with monthly installments of \$1,035, all applied to principal, collateralized by one-seventh interest in building. This mortgage matures December 1, 2033.	\$ 216,380	\$ -
Less current portion	<u>12,420</u>	<u>-</u>
Total contract for deed, net of current portion	<u>\$ 203,960</u>	<u>\$ -</u>

**MONTANA LEAGUE OF CITIES AND TOWNS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016 AND 2015**

**6. LONG-TERM LIABILITIES (Continued)**

Contract for deed principal maturities for the years ending June 30 are as follows:

2017	\$	12,420	
2018		12,420	
2019		12,420	
2020		12,420	
2021		12,420	
Subsequent		154,280	
			\$ 216,380

**7. PENSION PLAN**

The League has a 457 deferred compensation pension plan covering all eligible employees. The League contributed 10% of participating employees' wages to the plan for fiscal year ended June 30, 2016 and 2015. The participating employees have the option to contribute additional amounts not to exceed current IRS limits. During the years ended June 30, 2016 and 2015, the League contributed \$14,802 and \$17,959, respectively.

**8. PROPERTY AND EQUIPMENT**

Property and equipment activity for the years ended June 30, 2016 and 2015 is as follows:

	July 1	Additions	Deductions	June 30
Year ended June 30, 2016:				
Building	\$ -	\$ 228,800	\$ -	\$ 228,800
Office furniture and equipment	13,053	-	-	13,053
Less: accumulated depreciation	(13,053)	(5,622)	-	(18,675)
	\$ -	\$ 223,178	\$ -	\$ 223,178
Year ended June 30, 2015:				
Building	\$ -	\$ -	\$ -	\$ -
Office furniture and equipment	13,053	-	-	13,053
Less: accumulated depreciation	(12,907)	(146)	-	(13,053)
	\$ 146	\$ (146)	\$ -	\$ -

**MONTANA LEAGUE OF CITIES AND TOWNS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2016 AND 2015**

**9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 25, 2016 the date on which the financial statements were available to be issued.

The League has entered into an agreement as of July 1, 2016 with Montana Municipal Interlocal Authority (MMIA), a related party, to provide legal technical support to members of the Montana League of Cities as a risk management tool. The League hired a new employee who will provide the legal technical support to members. MMIA will contribute \$50,000 annually to the League for the services provided by the new employee, with any costs of services in excess of \$50,000 to be paid by the League.



ACCOUNTING  
AUDIT  
TAX  
EMPLOYEE BENEFITS  
SPECIALIZED SERVICES

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Montana League of Cities and Towns  
Helena, Montana

We have audited the financial statements of Montana League of Cities and Towns (a nonprofit organization) as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated September 25, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of general fund revenue and expense, actual and budgeted are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "budget", has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Junkermier, Clark, Campanella, Stevens, P.C.*

Helena, Montana  
September 25, 2016

24 W 6th Ave / Helena, MT 59601

Office: (406) 442-6901 / Fax: (406) 442-9690 / [jccscca.com](http://jccscca.com)

**MONTANA LEAGUE OF CITIES AND TOWNS  
SCHEDULE OF GENERAL FUND REVENUE AND EXPENSE  
ACTUAL AND BUDGETED  
YEAR ENDED JUNE 30, 2016**

	<u>TOTAL</u>	<u>BUDGET</u>	<u>VARIANCE</u> FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>			
Dues	\$ 157,204	\$ 157,529	\$ (325)
Associate member dues	8,320	8,500	(180)
Advertising and directory service	11,080	10,800	280
Convention	64,428	51,000	13,428
Interest income	1,700	1,300	400
Misc. refunds and reimbursements	30	100	(70)
Administration fees	<u>106,405</u>	<u>106,405</u>	<u>-</u>
	349,167	335,634	13,533
<b>EXPENSE - Page 14</b>	<u>(322,543)</u>	<u>(389,549)</u>	<u>67,006</u>
Excess (shortage) revenue before depreciation	26,624	(53,915)	80,539
Depreciation	<u>(5,622)</u>	<u>-</u>	<u>(5,622)</u>
<b>EXCESS (SHORTAGE) REVENUE</b>	<u>\$ 21,002</u>	<u>\$ (53,915)</u>	<u>\$ 74,917</u>

See the accompanying independent auditors' report  
on supplemental information.

**MONTANA LEAGUE OF CITIES AND TOWNS  
SCHEDULE OF GENERAL FUND EXPENSE  
ACTUAL AND BUDGETED  
YEAR ENDED JUNE 30, 2016**

<b>EXPENSE</b>	<b>TOTAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Salaries and benefits -			
Executive and office management	\$ 167,190	\$ 201,640	\$ 34,450
Board of directors expenses	7,276	3,500	(3,776)
Supplies	1,375	1,200	(175)
Employer payroll taxes	14,093	16,500	2,407
Repairs and maintenance	3,216	800	(2,416)
Equipment	360	3,000	2,640
Legal services	134	500	366
Rent	1,294	1,051	(243)
Utilities	5,618	5,400	(218)
Telephone	101	500	399
Postage	1,402	1,200	(202)
Newsletter/website	1,240	900	(340)
Travel	8,821	9,100	279
Memberships and dues	6,887	5,992	(895)
Insurance and bonds	1,246	1,300	54
Legislation	-	10,000	10,000
National league conference	1,500	7,000	5,500
Montana convention	50,219	37,000	(13,219)
Taxes and miscellaneous	1,365	2,000	635
Contracted services	44,236	60,000	15,764
Computer software	519	800	281
Workshops and seminars	-	250	250
Directory	4,635	6,800	2,165
City managers association	(204)	696	900
Bank fees	20	-	(20)
Building contract payments	-	12,420	12,420
	<u>\$ 322,543</u>	<u>\$ 389,549</u>	<u>\$ 67,006</u>
Totals			

See the accompanying independent auditors' report  
on supplemental information.

MONTANA LEAGUE OF CITIES AND TOWNS  
SCHEDULE OF GENERAL FUND REVENUE AND EXPENSE  
ACTUAL AND BUDGETED  
YEAR ENDED JUNE 30, 2015

	<u>TOTAL</u>	<u>BUDGET</u>	<b>VARIANCE</b> FAVORABLE (UNFAVORABLE)
<b>REVENUE</b>			
Dues	\$ 147,378	\$ 147,532	\$ (154)
Associate member dues	8,000	8,500	(500)
Advertising and directory service	1,242	500	742
Convention	49,180	47,000	2,180
Interest income	1,972	3,000	(1,028)
Misc. refunds and reimbursements	3,113	500	2,613
Administration fees	<u>105,040</u>	<u>105,040</u>	<u>-</u>
	315,925	312,072	3,853
<b>EXPENSE - Page 16</b>	<u>(363,407)</u>	<u>(406,888)</u>	<u>43,481</u>
Excess (shortage) revenue before depreciation	(47,482)	(94,816)	47,334
Depreciation	<u>(146)</u>	<u>-</u>	<u>(146)</u>
<b>EXCESS (SHORTAGE) REVENUE</b>	<u>\$ (47,628)</u>	<u>\$ (94,816)</u>	<u>\$ 47,188</u>

See the accompanying independent auditors' report  
on supplemental information.

**MONTANA LEAGUE OF CITIES AND TOWNS  
SCHEDULE OF GENERAL FUND EXPENSE  
ACTUAL AND BUDGETED  
YEAR ENDED JUNE 30, 2015**

<b>EXPENSE</b>	<b>TOTAL</b>	<b>BUDGET</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Salaries and benefits -			
Executive and office management	\$ 158,816	\$ 154,788	\$ (4,028)
Interim director	30,000	75,250	45,250
Board of directors expenses	9,771	3,500	(6,271)
Supplies	947	1,200	253
Employer payroll taxes	18,204	20,000	1,796
Repairs and maintenance	1,057	800	(257)
Equipment	1,459	3,000	1,541
Legal services	-	500	500
Rent	12,794	13,000	206
Utilities	2,981	2,600	(381)
Telephone	3,635	6,000	2,365
Postage	1,627	1,800	173
Newsletter/website	1,350	600	(750)
Travel	6,412	9,800	3,388
Memberships and dues	5,492	6,200	708
Insurance and bonds	1,230	1,300	70
Special services to cities	20,000	25,000	5,000
Legislation	2,003	500	(1,503)
National league conference	1,038	2,500	1,462
Montana convention	36,504	32,000	(4,504)
Taxes and miscellaneous	1,766	-	(1,766)
Contracted services	26,680	26,500	(180)
Computer software	829	2,000	1,171
Workshops and seminars	48	150	102
City managers association	204	900	696
Recruitment services	18,560	17,000	(1,560)
Totals	<u>\$ 363,407</u>	<u>\$ 406,888</u>	<u>\$ 43,481</u>

See the accompanying independent auditors' report  
on supplemental information.

## Lori Stratton

---

**From:** Larry Bonderud  
**Sent:** Thursday, December 01, 2016 11:31 AM  
**To:** Lori Stratton  
**Subject:** Fwd: MT Legislative Update (Including recommended funding for RRGL & TSEP Projects  
**Attachments:** RRGL Award Recommendations 2019 Biennium.pdf; ATT00001.htm; TSEP Award Recommendations 2019 Biennium.pdf; ATT00002.htm

Next packets. List as Grant Awards.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

**From:** "Timothy Uribe" <[Tim.Uribe@kljeng.com](mailto:Tim.Uribe@kljeng.com)>  
**To:** "Larry Bonderud" <[larry@shelbymt.com](mailto:larry@shelbymt.com)>  
**Cc:** "Jason Crawford" <[Jason.Crawford@kljeng.com](mailto:Jason.Crawford@kljeng.com)>  
**Subject:** FW: MT Legislative Update (Including recommended funding for RRGL & TSEP Projects

Larry,

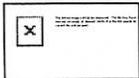
Jason asked I send this your direction.

Hopefully this is what you're looking for.

Let me know if you need something different.

Cheers,

Tim J. Uribe PE



406-441-5782 Direct  
406-533-9463 Cell  
2969 Airport Road, Suite 1B  
Helena, MT 59601-1201  
[kljeng.com](http://kljeng.com)

MT DNRC Renewable Resource Grant and Loan Program  
2019 Application Funding Recommendations\*

\* The Governor's Budget recommends funding through project 24.

Rank	Applicant Name	Project Title	Amount	Cumulative Amount
1	Helena Valley Irrigation District	Gate Automation	\$125,000.00	\$125,000.00
2	Granite County	Flint Creek Dam Resource Enhancement	\$125,000.00	\$250,000.00
3	Bozeman, City of	Sunset Hills Cemetery and Lindley Park Water Conservation	\$125,000.00	\$375,000.00
4	Broadwater CD	Avalanche Irrigation District Irrigation System Improvements	\$125,000.00	\$500,000.00
5	Medicine Lake, Town of	Wastewater System Improvements	\$125,000.00	\$625,000.00
6	Ward Irrigation District	Canal Intake Improvements	\$125,000.00	\$750,000.00
7	Sweet Grass County CD	Boe-Engle Ditch Diversion Infrastructure Improvements	\$106,640.00	\$856,640.00
8	Beaverhead Conservation District	Poindexter Slough Fishery Enhancement, Phase 3	\$125,000.00	\$981,640.00
9	Crow Tribe of Indians	Wastewater Collection System Improvement, Phase 3	\$125,000.00	\$1,106,640.00
10	Stillwater CD	Yanzick/Brey-Riddle Ditches Irrigation System Improvements	\$125,000.00	\$1,231,640.00
11	Lewis and Clark County SD	Wastewater System Improvements	\$125,000.00	\$1,356,640.00
12	Froid, Town of	Wastewater System Improvements	\$125,000.00	\$1,481,640.00
13	Townsend, City of	Wastewater System Improvements	\$125,000.00	\$1,606,640.00
14	South Wind WSD	Water and Wastewater System Improvements, Phase 3	\$125,000.00	\$1,731,640.00
15	Poplar, City of	Wastewater System Improvements	\$125,000.00	\$1,856,640.00
16	Lower Yellowstone Irrigation Project	Lateral O Check and Terminal Wasteway Rehabilitation	\$125,000.00	\$1,981,640.00
17	Stillwater County - Absarokee Sewer RSID	Wastewater System Improvements	\$125,000.00	\$2,106,640.00
18	Ryegate, Town of	Wastewater System Improvements	\$125,000.00	\$2,231,640.00
19	Huntley Project Irrigation District	Lower Main Canal Lining, Phase 2	\$125,000.00	\$2,356,640.00
20	Helena Valley Irrigation District	Lateral 14.8 Rehabilitation, Phase 1	\$125,000.00	\$2,481,640.00
21	Broadwater CD	Big Springs Ditch Water Conservation, Phase 2	\$125,000.00	\$2,606,640.00
22	Thompson Falls, City of	Wastewater System Improvements	\$125,000.00	\$2,731,640.00
23	Pondera County CD	Pondera County Canal & Reservoir Company KB2 Canal Rehabilitation, Phase 2	\$125,000.00	\$2,856,640.00
24	Malta Irrigation District	Exeter Siphon Replacement	\$125,000.00	\$2,981,640.00
25	Sidney Water User Irrigation District	Main Canal Pipeline Conversion	\$125,000.00	\$3,106,640.00
26	Buffalo Rapids Irrigation District 2	Shirley Main Canal Rehabilitation	\$125,000.00	\$3,231,640.00
27	Fort Shaw Irrigation District	D-System Water Conservation	\$125,000.00	\$3,356,640.00
28	Cascade, Town of	Wastewater System Improvements	\$125,000.00	\$3,481,640.00
29	Helena, City of	Westside Wastewater System Improvements	\$125,000.00	\$3,606,640.00
30	Eureka, Town of	Wastewater Expansion and Improvement, Phase 1B	\$100,000.00	\$3,706,640.00
31	Whitefish, City of	Wastewater System Improvements	\$125,000.00	\$3,831,640.00
32	Black Eagle - Cascade County WSD	Sewer Main Slip Lining	\$125,000.00	\$3,956,640.00
33	Thompson Falls, City of	Water System Improvements	\$125,000.00	\$4,081,640.00
34	Dutton, Town of	Water System Improvements	\$125,000.00	\$4,206,640.00
35	Fallon County	Baker Lake Restoration	\$100,000.00	\$4,306,640.00
36	Madison County	Big Hole Streambank Rehabilitation	\$125,000.00	\$4,431,640.00
37	Glen Lake Irrigation District	Costich Drop Rehabilitation, Phase 1	\$125,000.00	\$4,556,640.00
38	Harlowton, City of	Water System Improvements, Phase 4	\$125,000.00	\$4,681,640.00
39	Alberton, Town of	Water System Improvements	\$125,000.00	\$4,806,640.00
40	Buffalo Rapids Irrigation District 1	Lateral 20.6 Pipeline Conversion, Phase 2	\$125,000.00	\$4,931,640.00
41	Chouteau County CD	Ranching for Rivers: Cost Share to Landowners for Infrastructure Improvements for Grazing Management on the Missouri River	\$125,000.00	\$5,056,640.00
42	Judith Gap, Town of	Wastewater System Improvements, Phase 2	\$125,000.00	\$5,181,640.00
43	Flathead CD	Krause Creek Restoration	\$116,000.00	\$5,297,640.00
44	Sanders County Sewer District at Paradise	Wastewater System Improvements	\$125,000.00	\$5,422,640.00
45	Jefferson County	Jefferson Slough Eurasian Watermillfoil Control	\$96,530.00	\$5,519,170.00
46	Huntley Project Irrigation District	Tunnel 2 - Discharge Line Rehabilitation	\$125,000.00	\$5,644,170.00
47	Simms County Sewer District	Wastewater System Improvements	\$125,000.00	\$5,769,170.00

MT DNRC Renewable Resource Grant and Loan Program  
2019 Application Funding Recommendations\*

\* The Governor's Budget recommends funding through project 24.

Rank	Applicant Name	Project Title	Amount	Cumulative Amount
48	Cut Bank, City of	Water System Improvements	\$125,000.00	\$5,894,170.00
49	MT DNRC-Water Resources Division	Flint Creek Water Project - Allendale Canal Intake & Fish Screen	\$125,000.00	\$6,019,170.00
50	Sheridan, Town of	Water System Improvements	\$125,000.00	\$6,144,170.00
51	Fort Peck Tribes	Lateral L-42M Rehabilitation, Phase 1	\$125,000.00	\$6,269,170.00
52	Toston Irrigation District	Main Canal Rehabilitation	\$125,000.00	\$6,394,170.00
53	Laurel, City of	Water System Improvements	\$125,000.00	\$6,519,170.00
54	Clinton Irrigation District	Main Canal Wasteway Rehabilitation and Intake Canal Improvements	\$125,000.00	\$6,644,170.00
55	Tin Cup WSD	Water Conservation	\$125,000.00	\$6,769,170.00
56	Jordan, Town of	Wastewater System Improvements	\$125,000.00	\$6,894,170.00
57	Lincoln County	Ksanka Creek Restoration - Highway 93 to Osloski Road	\$125,000.00	\$7,019,170.00
58	Manhattan, Town of	Wastewater System Improvements	\$125,000.00	\$7,144,170.00
59	Lower Musselshell CD	Musselshell River Channel Migration Zone Mapping	\$125,000.00	\$7,269,170.00
60	Shelby, City of	Water System Improvements	\$125,000.00	\$7,394,170.00
61	MT DNRC-Water Resources Division	Broadwater Missouri Canal System Study and Masterplan	\$100,000.00	\$7,494,170.00
62	MT DNRC-Water Resources Division	East Fork Rock Creek Main Canal Lining	\$125,000.00	\$7,619,170.00
63	Roundup, City of	Water System Improvements	\$125,000.00	\$7,744,170.00
64	Custer County	Custer County Miles City Flood Control	\$125,000.00	\$7,869,170.00
65	Scobey, City of	Water System Improvements	\$125,000.00	\$7,994,170.00
66	Wilsall Water District	Water System Improvements	\$125,000.00	\$8,119,170.00
67	Hot Springs, Town of	Water System Improvements	\$125,000.00	\$8,244,170.00
68	Winifred, Town of	Water System Improvements	\$125,000.00	\$8,369,170.00
69	MT DNRC-Water Resources Division	Nevada Creek Water Project - Douglas Canal Lining Replacement	\$125,000.00	\$8,494,170.00
70	Denton, Town of	Water System Improvements	\$125,000.00	\$8,619,170.00
71	Fort Benton, City of	Water System Improvements	\$125,000.00	\$8,744,170.00
72	Absarokee WSD	Water System Improvements	\$125,000.00	\$8,869,170.00
73	Hysham Irrigation District	Re-Lift Canal Improvement	\$125,000.00	\$8,994,170.00
74	Deer Lodge, City of	Municipal Well Replacement	\$125,000.00	\$9,119,170.00
75	Flathead CD	Whitefish Water Treatment Plan and Resource Optimization	\$86,000.00	\$9,205,170.00
76	Toole County CD	Eagle Aquifer Evaluation, North-Central Montana	\$116,230.00	\$9,321,400.00
77	Missoula County	Sunset West Water System Improvements	\$125,000.00	\$9,446,400.00
78	Gallatin Local WQD	Bridger Range Front Hydrogeologic Investigation	\$125,000.00	\$9,571,400.00
79	Missoula, City of	Restoration and Migration of Public Access Damage - Clark Fork River, Phase 1	\$125,000.00	\$9,696,400.00
80	Circle, Town of	Water System Improvements	\$125,000.00	\$9,821,400.00
81	Stanford, Town of	Water System Improvements	\$125,000.00	\$9,946,400.00
82	West Great Falls Flood Control & DD	Riverbank Erosion Rehabilitation and Repairs	\$125,000.00	\$10,071,400.00
83	Nine Mile WSD	Water System Improvements	\$125,000.00	\$10,196,400.00
84	MT Bureau of Mines and Geology - MT Tech	Irrigation Efficiencies and Domestic Groundwater Supplies	\$125,000.00	\$10,321,400.00
85	Brady County WSD	Water System Improvements	\$109,400.00	\$10,430,800.00
86	Bigfork County Water and Sewer District	Water Storage and Distribution Improvements	\$125,000.00	\$10,555,800.00
87	Chinook, City of	Water System Upgrades	\$125,000.00	\$10,680,800.00
88	Lockwood Irrigation District	Pump Station Rehabilitation	\$125,000.00	\$10,805,800.00
89	RAE County WSD	Falcon Hollow #2 Well	\$125,000.00	\$10,930,800.00
90	Malta, City of	Water System Improvements	\$125,000.00	\$11,055,800.00
91	Lockwood WSD	Water System Improvements	\$125,000.00	\$11,180,800.00
92	Ekalaka, Town of	Flood Study	\$125,000.00	\$11,305,800.00
93	Conrad, City of	Water System Improvements	\$125,000.00	\$11,430,800.00
94	Sweet Grass County CD	Yellowstone River Channel Stabilization and Surface Water Protection, Phase 2	\$125,000.00	\$11,555,800.00

Treasure State Endowment Program  
Infrastructure Award Recommendations for the 2019 Biennium

Rank	Applicant	County	Project Description	Requested Amount	Awarded Amount	Cumulative Award Amount
1	Sanders Co. Sewer District -Paradise	Sanders	Wastewater	\$ 750,000	\$ 750,000	\$ 750,000
2	Beaverhead Co. Jackson Water &	Beaverhead	Water	\$ 294,000	\$ 294,000	\$ 1,044,000
3	Denton, Town of	Fergus	Water	\$ 625,000	\$ 625,000	\$ 1,669,000
4	Helena, City of	Lewis & Clark	Wastewater	\$ 750,000	\$ 750,000	\$ 2,419,000
5	Absarokee Water & Sewer District	Stillwater	Water	\$ 500,000	\$ 500,000	\$ 2,919,000
6	Medicine Lake, Town of	Sheridan	Wastewater	\$ 625,000	\$ 625,000	\$ 3,544,000
7	Froid, Town of	Roosevelt	Wastewater	\$ 750,000	\$ 750,000	\$ 4,294,000
8	Cut Bank, City of	Glacier	Water	\$ 750,000	\$ 750,000	\$ 5,044,000
9	Eureka, Town of	Lincoln	Wastewater	\$ 555,000	\$ 555,000	\$ 5,599,000
10	Nine Mile Water & Sewer District	Toole	Water	\$ 750,000	\$ 750,000	\$ 6,349,000
11	South Wind Water & Sewer District	Cascade	Water & Wastewater	\$ 750,000	\$ 750,000	\$ 7,099,000
12	Livingston, City of	Park	Wastewater	\$ 625,000	\$ 625,000	\$ 7,724,000
13	Townsend, City of	Broadwater	Wastewater	\$ 625,000	\$ 625,000	\$ 8,349,000
14	Scobey, City of	Daniels	Water	\$ 500,000	\$ 500,000	\$ 8,849,000
15	Manhattan, Town of	Gallatin	Wastewater	\$ 611,800	\$ 611,800	\$ 9,460,800
16	Stanford, Town of	Judith Basin	Water	\$ 500,000	\$ 500,000	\$ 9,960,800
17	Hot Springs, Town of	Sanders	Water	\$ 478,632	\$ 478,632	\$10,439,432
18	Sheridan, Town of	Madison	Water	\$ 625,000	\$ 625,000	\$11,064,432
19	Simms County Sewer District	Cascade	Wastewater	\$ 750,000	\$ 750,000	\$11,814,432
20	Circle, Town of	McCone	Water	\$ 625,000	\$ 625,000	\$12,439,432
21	Lockwood Water & Sewer District	Yellowstone	Water	\$ 625,000	\$ 625,000	\$13,064,432
22	Harlowton, City of	Wheatland	Water	\$ 750,000	\$ 750,000	\$13,814,432
23	Cascade, Town of	Cascade	Wastewater	\$ 500,000	\$ 500,000	\$14,314,432
24	Shelby, City of	Toole	Water	\$ 750,000	\$ 750,000	\$15,064,432
25*	Dutton, Town of	Teton	Water	\$ 500,000	\$ 500,000	\$15,564,432
26*	Flaxville, Town of	Daniels	Wastewater	\$ 625,000	\$ 625,000	\$16,187,432
27*	Butte-Silver Bow	Silver Bow	Wastewater	\$ 349,286	\$ 349,286	\$16,538,718
<b>TOTAL</b>				<b>\$15,064,432</b>	<b>\$15,064,432</b>	<b>\$15,064,432</b>

\*Contingent projects

Treasure State Endowment Program  
 Bridge Award Recommendations for the 2019 Biennium

Rank	Applicant	County	Project Description	Requested Amount	Awarded Amount	Cumulative Award Amount
1	Missoula County	Missoula	Bridge	\$ 500,000	\$ 500,000	\$ 500,000
2	Park County	Park	Bridge	\$ 107,957	\$ 107,957	\$ 607,957
3	Madison County	Madison	Bridge	\$ 237,284	\$ 237,284	\$ 845,241
4	Prairie County	Prairie	Bridge	\$ 160,000	\$ 160,000	\$1,005,241
5	Gallatin County	Gallatin	Bridge	\$ 684,800	\$ 684,800	\$1,690,041
TOTAL				\$ 1,690,041	\$ 1,690,041	\$ 1,690,041

MT DNRC Renewable Resource Grant and Loan Program  
2019 Application Funding Recommendations\*

* The Governor's Budget recommends funding through project 24.				
Rank	Applicant Name	Project Title	Amount	Cumulative Amount
1	Helena Valley Irrigation District	Gate Automation	\$125,000.00	\$125,000.00
2	Granite County	Flint Creek Dam Resource Enhancement	\$125,000.00	\$250,000.00
3	Bozeman, City of	Sunset Hills Cemetery and Lindley Park Water Conservation	\$125,000.00	\$375,000.00
4	Broadwater CD	Avalanche Irrigation District Irrigation System Improvements	\$125,000.00	\$500,000.00
5	Medicine Lake, Town of	Wastewater System Improvements	\$125,000.00	\$625,000.00
6	Ward Irrigation District	Canal Intake Improvements	\$125,000.00	\$750,000.00
7	Sweet Grass County CD	Boe-Engle Ditch Diversion Infrastructure Improvements	\$106,640.00	\$856,640.00
8	Beaverhead Conservation District	Poindexter Slough Fishery Enhancement, Phase 3	\$125,000.00	\$981,640.00
9	Crow Tribe of Indians	Wastewater Collection System Improvement, Phase 3	\$125,000.00	\$1,106,640.00
10	Stillwater CD	Yanzick/Brey-Riddle Ditches Irrigation System Improvements	\$125,000.00	\$1,231,640.00
11	Lewis and Clark County SD	Wastewater System Improvements	\$125,000.00	\$1,356,640.00
12	Froid, Town of	Wastewater System Improvements	\$125,000.00	\$1,481,640.00
13	Townsend, City of	Wastewater System Improvements	\$125,000.00	\$1,606,640.00
14	South Wind WSD	Water and Wastewater System Improvements, Phase 3	\$125,000.00	\$1,731,640.00
15	Poplar, City of	Wastewater System Improvements	\$125,000.00	\$1,856,640.00
16	Lower Yellowstone Irrigation Project	Lateral O Check and Terminal Wasteway Rehabilitation	\$125,000.00	\$1,981,640.00
17	Stillwater County - Absarokee Sewer RSID	Wastewater System Improvements	\$125,000.00	\$2,106,640.00
18	Ryegate, Town of	Wastewater System Improvements	\$125,000.00	\$2,231,640.00
19	Huntley Project Irrigation District	Lower Main Canal Lining, Phase 2	\$125,000.00	\$2,356,640.00
20	Helena Valley Irrigation District	Lateral 14.8 Rehabilitation, Phase 1	\$125,000.00	\$2,481,640.00
21	Broadwater CD	Big Springs Ditch Water Conservation, Phase 2	\$125,000.00	\$2,606,640.00
22	Thompson Falls, City of	Wastewater System Improvements	\$125,000.00	\$2,731,640.00
23	Pondera County CD	Pondera County Canal & Reservoir Company KB2 Canal Rehabilitation, Phase 2	\$125,000.00	\$2,856,640.00
24	Malta Irrigation District	Exeter Siphon Replacement	\$125,000.00	\$2,981,640.00
25	Sidney Water User Irrigation District	Main Canal Pipeline Conversion	\$125,000.00	\$3,106,640.00
26	Buffalo Rapids Irrigation District 2	Shirley Main Canal Rehabilitation	\$125,000.00	\$3,231,640.00
27	Fort Shaw Irrigation District	D-System Water Conservation	\$125,000.00	\$3,356,640.00
28	Cascade, Town of	Wastewater System Improvements	\$125,000.00	\$3,481,640.00
29	Helena, City of	Westside Wastewater System Improvements	\$125,000.00	\$3,606,640.00
30	Eureka, Town of	Wastewater Expansion and Improvement, Phase 1B	\$100,000.00	\$3,706,640.00
31	Whitefish, City of	Wastewater System Improvements	\$125,000.00	\$3,831,640.00
32	Black Eagle - Cascade County WSD	Sewer Main Slip Lining	\$125,000.00	\$3,956,640.00
33	Thompson Falls, City of	Water System Improvements	\$125,000.00	\$4,081,640.00
34	Dutton, Town of	Water System Improvements	\$125,000.00	\$4,206,640.00
35	Fallon County	Baker Lake Restoration	\$100,000.00	\$4,306,640.00
36	Madison County	Big Hole Streambank Rehabilitation	\$125,000.00	\$4,431,640.00
37	Glen Lake Irrigation District	Costich Drop Rehabilitation, Phase 1	\$125,000.00	\$4,556,640.00
38	Harlowton, City of	Water System Improvements, Phase 4	\$125,000.00	\$4,681,640.00
39	Alberton, Town of	Water System Improvements	\$125,000.00	\$4,806,640.00
40	Buffalo Rapids Irrigation District 1	Lateral 20.6 Pipeline Conversion, Phase 2	\$125,000.00	\$4,931,640.00
41	Chouteau County CD	Ranching for Rivers: Cost Share to Landowners for Infrastructure Improvements for Grazing Management on the Missouri River	\$125,000.00	\$5,056,640.00
42	Judith Gap, Town of	Wastewater System Improvements, Phase 2	\$125,000.00	\$5,181,640.00
43	Flathead CD	Krause Creek Restoration	\$116,000.00	\$5,297,640.00
44	Sanders County Sewer District at Paradise	Wastewater System Improvements	\$125,000.00	\$5,422,640.00
45	Jefferson County	Jefferson Slough Eurasian Watermilfoil Control	\$96,530.00	\$5,519,170.00
46	Huntley Project Irrigation District	Tunnel 2 - Discharge Line Rehabilitation	\$125,000.00	\$5,644,170.00
47	Simms County Sewer District	Wastewater System Improvements	\$125,000.00	\$5,769,170.00

MT DNRC Renewable Resource Grant and Loan Program  
2019 Application Funding Recommendations\*

* The Governor's Budget recommends funding through project 24.				
Rank	Applicant Name	Project Title	Amount	Cumulative Amount
48	Cut Bank, City of	Water System Improvements	\$125,000.00	\$5,894,170.00
49	MT DNRC-Water Resources Division	Flint Creek Water Project - Allendale Canal Intake & Fish Screen	\$125,000.00	\$6,019,170.00
50	Sheridan, Town of	Water System Improvements	\$125,000.00	\$6,144,170.00
51	Fort Peck Tribes	Lateral L-42M Rehabilitation, Phase 1	\$125,000.00	\$6,269,170.00
52	Toston Irrigation District	Main Canal Rehabilitation	\$125,000.00	\$6,394,170.00
53	Laurel, City of	Water System Improvements	\$125,000.00	\$6,519,170.00
54	Clinton Irrigation District	Main Canal Wasteway Rehabilitation and Intake Canal Improvements	\$125,000.00	\$6,644,170.00
55	Tin Cup WSD	Water Conservation	\$125,000.00	\$6,769,170.00
56	Jordan, Town of	Wastewater System Improvements	\$125,000.00	\$6,894,170.00
57	Lincoln County	Ksanka Creek Restoration - Highway 93 to Osloski Road	\$125,000.00	\$7,019,170.00
58	Manhattan, Town of	Wastewater System Improvements	\$125,000.00	\$7,144,170.00
59	Lower Musselshell CD	Musselshell River Channel Migration Zone Mapping	\$125,000.00	\$7,269,170.00
60	Shelby, City of	Water System Improvements	\$125,000.00	\$7,394,170.00
61	MT DNRC-Water Resources Division	Broadwater Missouri Canal System Study and Masterplan	\$100,000.00	\$7,494,170.00
62	MT DNRC-Water Resources Division	East Fork Rock Creek Main Canal Lining	\$125,000.00	\$7,619,170.00
63	Roundup, City of	Water System Improvements	\$125,000.00	\$7,744,170.00
64	Custer County	Custer County Miles City Flood Control	\$125,000.00	\$7,869,170.00
65	Scobey, City of	Water System Improvements	\$125,000.00	\$7,994,170.00
66	Wilsall Water District	Water System Improvements	\$125,000.00	\$8,119,170.00
67	Hot Springs, Town of	Water System Improvements	\$125,000.00	\$8,244,170.00
68	Winifred, Town of	Water System Improvements	\$125,000.00	\$8,369,170.00
69	MT DNRC-Water Resources Division	Nevada Creek Water Project - Douglas Canal Lining Replacement	\$125,000.00	\$8,494,170.00
70	Denton, Town of	Water System Improvements	\$125,000.00	\$8,619,170.00
71	Fort Benton, City of	Water System Improvements	\$125,000.00	\$8,744,170.00
72	Absarokee WSD	Water System Improvements	\$125,000.00	\$8,869,170.00
73	Hysham Irrigation District	Re-Lift Canal Improvement	\$125,000.00	\$8,994,170.00
74	Deer Lodge, City of	Municipal Well Replacement	\$125,000.00	\$9,119,170.00
75	Flathead CD	Whitefish Water Treatment Plan and Resource Optimization	\$86,000.00	\$9,205,170.00
76	Toole County CD	Eagle Aquifer Evaluation, North-Central Montana	\$116,230.00	\$9,321,400.00
77	Missoula County	Sunset West Water System Improvements	\$125,000.00	\$9,446,400.00
78	Gallatin Local WQD	Bridger Range Front Hydrogeologic Investigation	\$125,000.00	\$9,571,400.00
79	Missoula, City of	Restoration and Migration of Public Access Damage - Clark Fork River, Phase 1	\$125,000.00	\$9,696,400.00
80	Circle, Town of	Water System Improvements	\$125,000.00	\$9,821,400.00
81	Stanford, Town of	Water System Improvements	\$125,000.00	\$9,946,400.00
82	West Great Falls Flood Control & DD	Riverbank Erosion Rehabilitation and Repairs	\$125,000.00	\$10,071,400.00
83	Nine Mile WSD	Water System Improvements	\$125,000.00	\$10,196,400.00
84	MT Bureau of Mines and Geology - MT Tech	Irrigation Efficiencies and Domestic Groundwater Supplies	\$125,000.00	\$10,321,400.00
85	Brady County WSD	Water System Improvements	\$109,400.00	\$10,430,800.00
86	Bigfork County Water and Sewer District	Water Storage and Distribution Improvements	\$125,000.00	\$10,555,800.00
87	Chinook, City of	Water System Upgrades	\$125,000.00	\$10,680,800.00
88	Lockwood Irrigation District	Pump Station Rehabilitation	\$125,000.00	\$10,805,800.00
89	RAE County WSD	Falcon Hollow #2 Well	\$125,000.00	\$10,930,800.00
90	Malia, City of	Water System Improvements	\$125,000.00	\$11,055,800.00
91	Lockwood WSD	Water System Improvements	\$125,000.00	\$11,180,800.00
92	Ekalaka, Town of	Flood Study	\$125,000.00	\$11,305,800.00
93	Conrad, City of	Water System Improvements	\$125,000.00	\$11,430,800.00
94	Sweet Grass County CD	Yellowstone River Channel Stabilization and Surface Water Protection, Phase 2	\$125,000.00	\$11,555,800.00

Treasure State Endowment Program  
Infrastructure Award Recommendations for the 2019 Biennium

Rank	Applicant	County	Project Description	Requested Amount	Awarded Amount	Cumulative Award Amount
1	Sanders Co. Sewer District -Paradise	Sanders	Wastewater	\$ 750,000	\$ 750,000	\$ 750,000
2	Beaverhead Co. Jackson Water &	Beaverhead	Water	\$ 294,000	\$ 294,000	\$ 1,044,000
3	Denton, Town of	Fergus	Water	\$ 625,000	\$ 625,000	\$ 1,669,000
4	Helena, City of	Lewis & Clark	Wastewater	\$ 750,000	\$ 750,000	\$ 2,419,000
5	Absarokee Water & Sewer District	Stillwater	Water	\$ 500,000	\$ 500,000	\$ 2,919,000
6	Medicine Lake, Town of	Sheridan	Wastewater	\$ 625,000	\$ 625,000	\$ 3,544,000
7	Froid, Town of	Roosevelt	Wastewater	\$ 750,000	\$ 750,000	\$ 4,294,000
8	Cut Bank, City of	Glacier	Water	\$ 750,000	\$ 750,000	\$ 5,044,000
9	Eureka, Town of	Lincoln	Wastewater	\$ 555,000	\$ 555,000	\$ 5,599,000
10	Nine Mile Water & Sewer District	Toole	Water	\$ 750,000	\$ 750,000	\$ 6,349,000
11	South Wind Water & Sewer District	Cascade	Water & Wastewater	\$ 750,000	\$ 750,000	\$ 7,099,000
12	Livingston, City of	Park	Wastewater	\$ 625,000	\$ 625,000	\$ 7,724,000
13	Townsend, City of	Broadwater	Wastewater	\$ 625,000	\$ 625,000	\$ 8,349,000
14	Scobey, City of	Daniels	Water	\$ 500,000	\$ 500,000	\$ 8,849,000
15	Manhattan, Town of	Gallatin	Wastewater	\$ 611,800	\$ 611,800	\$ 9,460,800
16	Stanford, Town of	Judith Basin	Water	\$ 500,000	\$ 500,000	\$ 9,960,800
17	Hot Springs, Town of	Sanders	Water	\$ 478,632	\$ 478,632	\$10,439,432
18	Sheridan, Town of	Madison	Water	\$ 625,000	\$ 625,000	\$11,064,432
19	Simms County Sewer District	Cascade	Wastewater	\$ 750,000	\$ 750,000	\$11,814,432
20	Circle, Town of	McCone	Water	\$ 625,000	\$ 625,000	\$12,439,432
21	Lockwood Water & Sewer District	Yellowstone	Water	\$ 625,000	\$ 625,000	\$13,064,432
22	Harlowton, City of	Wheatland	Water	\$ 750,000	\$ 750,000	\$13,814,432
23	Cascade, Town of	Cascade	Wastewater	\$ 500,000	\$ 500,000	\$14,314,432
24	Shelby, City of	Toole	Water	\$ 750,000	\$ 750,000	\$15,064,432
25*	Dutton, Town of	Teton	Water	\$ 500,000	\$ 500,000	\$15,564,432
26*	Flaxville, Town of	Daniels	Wastewater	\$ 625,000	\$ 625,000	\$16,187,432
27*	Butte-Silver Bow	Silver Bow	Wastewater	\$ 349,286	\$ 349,286	\$16,538,718
<b>TOTAL</b>				<b>\$15,064,432</b>	<b>\$15,064,432</b>	<b>\$15,064,432</b>

\*Contingent projects

Treasure State Endowment Program  
 Bridge Award Recommendations for the 2019 Biennium

Rank	Applicant	County	Project Description	Requested Amount	Awarded Amount	Cumulative Award Amount
1	Missoula County	Missoula	Bridge	\$ 500,000	\$ 500,000	\$ 500,000
2	Park County	Park	Bridge	\$ 107,957	\$ 107,957	\$ 607,957
3	Madison County	Madison	Bridge	\$ 237,284	\$ 237,284	\$ 845,241
4	Prairie County	Prairie	Bridge	\$ 160,000	\$ 160,000	\$1,005,241
5	Gallatin County	Gallatin	Bridge	\$ 684,800	\$ 684,800	\$1,690,041
TOTAL				\$ 1,690,041	\$ 1,690,041	\$ 1,690,041

## Lori Stratton

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**From:** Larry Bonderud  
**Sent:** Friday, December 02, 2016 9:58 AM  
**To:** Lori Stratton  
**Subject:** Fwd: Infrastructure Coalition featured in Gazette Opinion

Sent from my iPhone

Mayor Lar

Begin forwarded message:

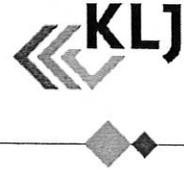
**From:** Kelly Lynch <kelly.lynch@mtleague.net>  
**Date:** December 2, 2016 at 9:57:27 AM MST  
**To:** Agnes Fowler <agnes@cityofconrad.com>, "Bob Kelly (bkelly@greatfallsmt.net)" <bkelly@greatfallsmt.net>, "Chris Kukulski (ckukulski@bozeman.net)" <ckukulski@bozeman.net>, Debbie Havens <DHavens@helenamt.gov>, Doris Pinkerton <forsythcityclerk@rangeweb.net>, "James Schell (jschelleh@gmail.com)" <jschelleh@gmail.com>, "Jim Smith (jsmith@helenamt.gov)" <jsmith@helenamt.gov>, "John Engen (jengen@ci.missoula.mt.us)" <jengen@ci.missoula.mt.us>, "John Morgan (jpmorgan@bsb.mt.gov)" <jpmorgan@bsb.mt.gov>, "John Williams (wolfmtn.jw@gmail.com)" <wolfmtn.jw@gmail.com>, "Kari Gabriel (kgabriel@kalispell.com)" <kgabriel@kalispell.com>, "Kelly Thiel (ctypwood@nemont.net)" <ctypwood@nemont.net>, "Kevin Dorwart (dorwartk@midrivers.com)" <dorwartk@midrivers.com>, Larry Bonderud <larry@shelbymt.com>, "Matt Vincent (mvincent@bsb.mt.gov)" <mvincent@bsb.mt.gov>, Tim Burton <tim.burton@mtleague.net>, "Nikki Brummond (nbrummond@ci.lewistown.mt.us)" <nbrummond@ci.lewistown.mt.us>, "Susan Nicosia (nicosias@cityofcolumbiafalls.com)" <nicosias@cityofcolumbiafalls.com>, "Tim Solomon (tsolomon@ci.havre.mt.us)" <tsolomon@ci.havre.mt.us>, Tom Hanel <tom@tomhanel.com>  
**Subject:** Infrastructure Coalition featured in Gazette Opinion

Great news for Friday – the Billings Gazette published a very positive opinion this morning on the need to increase the gas tax to provide adequate funding for Highway Patrol, MDT, and local road projects for cities and towns. Have a great weekend!

[http://billingsgazette.com/news/opinion/editorial/gazette-opinion/gazette-opinion-montana-running-out-of-gas-tax/article\\_1a36bece-90ad-5747-919f-e2a65a5186af.html](http://billingsgazette.com/news/opinion/editorial/gazette-opinion/gazette-opinion-montana-running-out-of-gas-tax/article_1a36bece-90ad-5747-919f-e2a65a5186af.html)

**Kelly A. Lynch, JD, AICP**  
Deputy Director/General Counsel  
Montana League of Cities and Towns  
P.O. Box 7388  
Helena, Montana 59604  
406-495-7037 office  
406-465-5711 cell

# CONSTRUCTION FIELD REPORT



*Project Name: NCMRWA Segment W3 Shelby to Cut Bank*

◇ Report Date: 12/4/2016

Owner: NCMRWA

Project Location: Shelby to Cut Bank, MT

KLJ Project No: 4611005

Contractors: Downing Construction Inc. & Central Excavation Inc.

Reporter: Logan Tweet

## **Weather & Site Conditions**

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- Cold throughout the week with daily highs in the 30s.

## **Downing Construction Inc.**

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- The week of November 27<sup>th</sup> Downing Construction continued pressure testing the waterline. The portion of waterline from Cut Bank to the pumphouse has now achieved passing tests. The seeder was onsite throughout the week and completed reclamation seeding in areas disturbed as a result of construction operations. Downing will continue testing the line the week of November 27<sup>th</sup>.

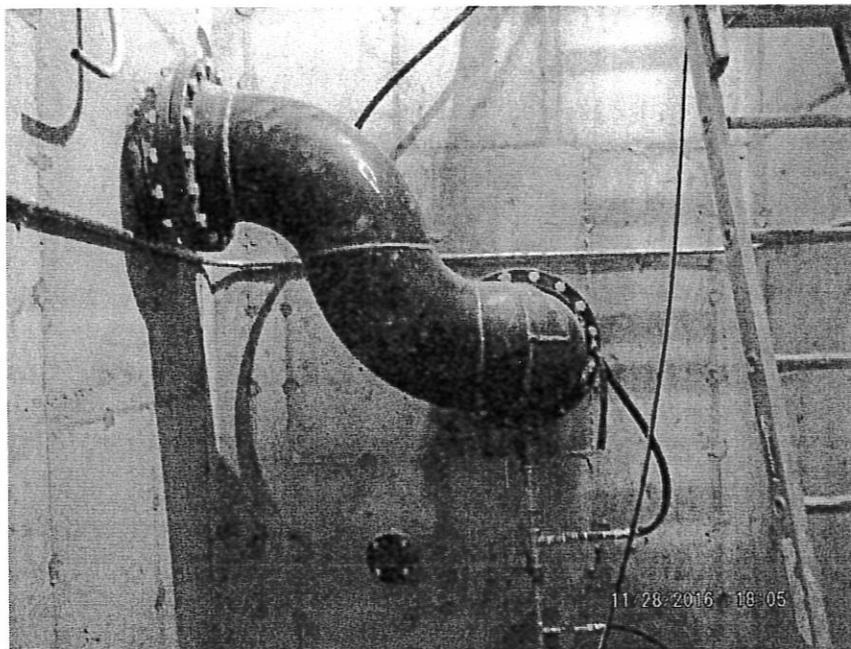
## **Central Plumbing & Heating Inc.**

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- The electricians spent the week of November installing electrical infrastructure at the pumphouse. No electrical work is planned for the week of December 4<sup>th</sup>.

◇ Construction Pictures

*Pressure Testing at Pumphouse Bypass Piece*



*Reclamation Seeding*



Mayor Larry Bonderud  
Shelby Mayor  
112 1st St. South  
Shelby, Mt 59474

December 5, 2016

Dear Larry ,

Crossroads Correctional Center will be hosting the next Community Advisory Committee Meeting and luncheon at 12:00, noon on Wednesday, December 14<sup>th</sup>.

As you know, the Community Advisory Committee is made up of key representatives of the local community and representatives from the institution. We meet quarterly to exchange important information and to share concerns and common challenges. Our hope is to establish and build long lasting relationships for the benefit of all involved.

Please feel free to contact me if you have any questions about the Community Advisory Committee or our planned meeting. Thank you for your service to the Community Advisory Committee. I look forward to seeing you on the 14<sup>th</sup>.

Sincerely,



Douglas Fender  
Warden

Please RSVP to Mrs. Warburton at 434-7405 or by email to [patti.warburton@cca.com](mailto:patti.warburton@cca.com)

## Lori Stratton

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**From:** Larry Bonderud  
**Sent:** Tuesday, December 06, 2016 8:43 AM  
**To:** Deb Clark; Lyle Kimmet; garym@3rivers.net; Brian Lee; Bill Moritz; pega@3rivers.net; Jade Goroski; Lori Stratton  
**Subject:** Storm Drainage

Council

Took a quick look at the proposal  
Bill Moritz made at the council  
Meeting last night.

Leaving out the Front Street and Main Street improvements would reduce the cost by approximately 25 percent. This would also trigger the loss of all grant funding for the project resulting in a total net cost reduction of only approximately \$300,000 and reducing assessments by Appx. 10 percent.

To generate the \$500,000 that Gary suggested we commit to hooking buildings to the storm drainage utilizing this concept, would then take the assessments back up to approximately where we are now or a little above. Directional drilling from basements on the South side of Main Street directly to storm drainage on Front Street is not feasible because of basements on the North side of Main Street. The concept would also dramatically increase flows in the existing storm drainage system on Front Street and likely result in the creation of back washing of the existing system on to Front Street and Main Street during normal moisture events and is not recommended. It would be like taking a large pipe and funneling it down to a smaller pipe. The smaller pipe would begin to back up as it can not take the columns created but the larger pipe. We would also likely have to rebid the project.

This concept would also eliminate the match and therefore the funding for the FRA \$995,000 grant for quite zones, depot and crossing improvements described in your packets last night.

Sent from my iPhone

Mayor Lar

## Lori Stratton

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**From:** William E. Hunt, Jr. <huntlaw@3rivers.net>  
**Sent:** Thursday, December 08, 2016 10:19 AM  
**To:** Lori Stratton  
**Cc:** Jade Goroski  
**Subject:** FW: SPECIAL Council Meeting 2016 1212.doc

Lori-

The below emails need to be included in the council packet, if it already hasn't been sent to you.

Thanks,

Bill

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**From:** Larry Bonderud [mailto:larry@shelbymt.com]  
**Sent:** Wednesday, December 07, 2016 2:17 PM  
**To:** Gary McDermott <garym@3rivers.net>  
**Cc:** Chip Miller <pega@3rivers.net>; Brian D. Lee <brian.leelaw@gmail.com>; Lori Stratton <lori@shelbymt.com>; Bill Hunt <huntlaw@3rivers.net>; Bill Moritz <bjmoritz@3rivers.net>; chip.miller4@gmail.com; Deb Clark <debclark2007@yahoo.com>; Jade Goroski <jade@shelbymt.com>; Justin Aikins <JustinLeeAikins@gmail.com>; Lyle Kimmet <kimmetlyle@gmail.com>  
**Subject:** Re: SPECIAL Council Meeting 2016 1212.doc

1. The original scope of the storm drainage was to address subsurface and surface water drainage. The subsurface issue was prompted by a request by several Main Street building owners to see if the groundwater infusion into their basements could be addressed. The drilling was done in the areas where we had the complaints. The recharge areas for the sub service water was address by areal photos looking for these areas. They were pretty easily identified and the test holes were in the first street south and the alley south of Main Street if I remember correctly. We considered making portions of the storm drainage system much deeper and create a drain tile situation to intercept the water before it gets to the main street area. This had been done many years ago in the area below the cemetery and gathered water for the then City Reservoir Block. This area has now been filled in and is the block where the funeral home is now. This was in fact the City water supply for several years prior to the wells at Williamson Park. The core drilling indicated that the storm drainage lines would have to be 30 to 35 feet deep to be effective and thus was cost and construction prohibitive. This caused the thinking to switch to get the storm drainage in the ground water areas and begin a process to switch the sumps over to the storm drainage system. At the time we felt the storm drainage system and the diversion of ground water into it would solve the problem for several years and the 4th cell was designed but not an immediate need( within five years). PER was done for sewage lagoon so we could begin the funding and grant seeking process. The game changer was the instillation of exact measuring of the lagoon inflows and the discovery that the sandbagging was going on at the lagoons in violation of our waste water treatment permit.
2. Per above yes.
3. These are estimates of daily invasion. During moisture events this sometimes hit over 1 million gallons.
4. On a yearly average, yes.

5. Yes. The ground water infusion would make us reach capacity again very soon even with the 4th cell. The concept is to prevent the future need for a fifth cell or a mechanical system designed to treat our peak days of over 1 million gallons of discharge.
6. Site and area investigations indicate several recharge areas in the South area of the community, west area of the community as well as areas a considerable distance from the city limits to the south.
7. I do not believe the study addressed all of those issues but you will have a copy soon. KLJ did suggest and ask for a much more detailed study but this was cost prohibitive and after the cost of the deep line drain tile fix was considered with this. We elected not to proceed with it. We could not address the vast majority of the recharge areas so we felt we were spinning our wheels trying to address all of the source areas.
8. This was not confirmed in their study and is a flow rate based upon sump pump sizes and outflow pipes inspected by public works.

I believe that the two projects ( scaled down storm drainage and the 4th cell are the long term solution to the problem. The Main Street issue is the most obvious to address but what is the explanation when we hit the 700,000 to 1 million increase during moisture events. We can not put storm drainage in every street in Shelby so many, many sumps will continue to operate no matter what we do. We can pick up a lot of it in the Main Street and US 2 areas with storm drainage and extend the life of the 4th cell and then adopt a 20 year plan to gradually expand the storm drainage per the master plan in the PER as we can afford it.

Thank you for the questions. Engineers will do better than me but I wanted to get you some background information.

Sent from my iPhone

Mayor Lar

On Dec 7, 2016, at 1:13 PM, Gary McDermott <[garym@3rivers.net](mailto:garym@3rivers.net)> wrote:

To All: The Mayor's response is that he envisions a series of meetings with the engineers, which is good. Listed is a series of questions that I have regarding the storm drain project because in my mind, it has an impact on our decision regarding Cell #4.

Regarding the Storm Drain Project

#1. When the engineers were hired, were they directed to review and determine what the storm drain issues were or were they told, this is the problem, how much to fix it? In other words, was the original scope just limited to rain and snow melt?

#2. When was it determined that ground water was a prime factor in over taxing our sewer system? Was that a part of the original storm drain analysis?

#3. My understanding of the ground water problem, from what I have been told at our Council meetings, is that sump pumps are pumping between 150,000 gallons to 200,000 gallons per day.

#4. My understanding, from information gathered at the Council meeting is that the inflows into the lagoons exceed the lagoon treatment capacity by about 150,000 to 200,000 gallons per day.

#5. Need to address the ground water issue even if we add the 4<sup>th</sup> cell?

#6. Have the engineers analyzed the sources of ground water. At our Council meetings I was told that Shelby Heights is one of the primary sources of the ground water. How did the engineers determine this?

#7. As part of engineering study, I was told that the engineers dug test holes throughout the City?

- a. What type of information was gathered from the test holes?
- b. Did they test the rate of water flowing into the test holes?
- c. Were water samples taken and the water analyzed?
- d. From the test hole data, was a permeability map prepared to map the ground water flows throughout the City?

#8. At the Council meeting I was told that the Main Street sump pumps are pumping approximately 100,000 gallons per day into our sewer system. The City superintendent thought it could be more than 100,000 gallons per day. Did the engineers confirm this in their study?

These are some of the initial questions that I have for the engineers. From my perspective, this will help us to determine if additional analysis needs to be done to identify all the storm drainage issues. Which of these issues are causing the greatest problems to our existing sewer system? Then we can have the engineers suggest various solutions with cost estimates for each. By example, if the Main Street sump pumps are pumping 100,000 gallons per day can we just address that issue, cost effectively? If we can, then we may only need a 4<sup>th</sup> cell.

Gary Mc Dermott

---

**From:** Chip Miller [<mailto:pega@3rivers.net>]  
**Sent:** Wednesday, December 07, 2016 9:32 AM  
**To:** 'Brian D. Lee'; 'Lori Stratton'  
**Cc:** 'Bill Hunt'; 'Bill Moritz'; [chip.miller4@gmail.com](mailto:chip.miller4@gmail.com); 'Deb Clark'; 'Jade Goroski'; 'Justin Aikins'; 'Larry Bonderud'; 'Lyle Kimmet'; 'Gary McDermott'  
**Subject:** RE: SPECIAL Council Meeting 2016 1212.doc

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**From:** Brian D. Lee [<mailto:brian.leelaw@gmail.com>]  
**Sent:** Tuesday, December 6, 2016 5:13 PM  
**To:** Lori Stratton <[lori@shelbymt.com](mailto:lori@shelbymt.com)>  
**Cc:** Bill Hunt <[huntlaw@3rivers.net](mailto:huntlaw@3rivers.net)>; Bill Moritz <[bjmoritz@3rivers.net](mailto:bjmoritz@3rivers.net)>; [chip.miller4@gmail.com](mailto:chip.miller4@gmail.com); Deb Clark <[debclark2007@yahoo.com](mailto:debclark2007@yahoo.com)>; Jade Goroski <[jade@shelbymt.com](mailto:jade@shelbymt.com)>; Justin Aikins <[JustinLeeAikins@gmail.com](mailto:JustinLeeAikins@gmail.com)>; Larry Bonderud <[larry@shelbymt.com](mailto:larry@shelbymt.com)>; Lyle Kimmet <[kimmetlyle@gmail.com](mailto:kimmetlyle@gmail.com)>; John Chip A. Miller <[pega@3rivers.net](mailto:pega@3rivers.net)>; Gary McDermott <[garym@3rivers.net](mailto:garym@3rivers.net)>  
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**Sent:** Tuesday, December 06, 2016 1:28 PM

**To:** Bill Hunt ([huntlaw@3rivers.net](mailto:huntlaw@3rivers.net)); Bill Moritz; Brian Lee; [chip.miller4@gmail.com](mailto:chip.miller4@gmail.com); Deb Clark; Gary McDermott; Jade Goroski; Justin Aikins; Larry Bonderud; Lyle Kimmet; [pega@3rivers.net](mailto:pega@3rivers.net)

**Subject:** SPECIAL Council Meeting 2016 1212.doc

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Brian D. Lee  
Lee Law Office PC  
158 Main St.  
PO Box 790  
Shelby, Montana 59474  
(406) 434-5244

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## Lori Stratton

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**From:** William E. Hunt, Jr. <huntlaw@3rivers.net>  
**Sent:** Thursday, December 08, 2016 10:19 AM  
**To:** Lori Stratton  
**Cc:** Jade Goroski  
**Subject:** FW: SPECIAL Council Meeting 2016 1212.doc

So do these emails.

---

**From:** Chip Miller [mailto:pega@3rivers.net]  
**Sent:** Wednesday, December 07, 2016 9:32 AM  
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## Lori Stratton

---

**From:** William E. Hunt, Jr. <huntlaw@3rivers.net>  
**Sent:** Thursday, December 08, 2016 10:20 AM  
**To:** Lori Stratton  
**Cc:** Jade Goroski  
**Subject:** FW: SPECIAL Council Meeting 2016 1212.doc

....and these emails.

---

**From:** Larry Bonderud [mailto:larry@shelbymt.com]  
**Sent:** Wednesday, December 07, 2016 9:33 AM  
**To:** Chip Miller <pega@3rivers.net>  
**Cc:** Brian D. Lee <brian.leelaw@gmail.com>; Lori Stratton <lori@shelbymt.com>; Bill Hunt <huntlaw@3rivers.net>; Bill Moritz <bjmoritz@3rivers.net>; chip.miller4@gmail.com; Deb Clark <debclark2007@yahoo.com>; Jade Goroski <jade@shelbymt.com>; Justin Aikins <JustinLeeAikins@gmail.com>; Lyle Kimmet <kimmetlyle@gmail.com>; Gary McDermott <garym@3rivers.net>  
**Subject:** Re: SPECIAL Council Meeting 2016 1212.doc

I envision a series of meetings with the engineers. This is only the first. After presentations there will be more questions. After review of the vast amount of materials there will be more questions. We are dangerously close to losing all grant funding for the 4th cell and the storm drainage project so I wanted to initiate the first meeting ASAP and then also have future meetings with the engineers to give the council a full understanding of the projects.

Sent from my iPhone

Mayor Lar

On Dec 7, 2016, at 9:26 AM, Chip Miller <pega@3rivers.net> wrote:

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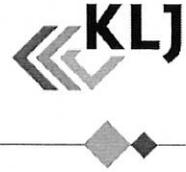
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# CONSTRUCTION FIELD REPORT



*Project Name: NCMRWA Segment W3 Shelby to Cut Bank*

◇ **Report Date:** 12/11/2016

**Owner:** NCMRWA

**Project Location:** Shelby to Cut Bank, MT

**KLJ Project No:** 4611005

**Contractors:** Downing Construction Inc. & Central Excavation Inc.

**Reporter:** Logan Tweet

## **Weather & Site Conditions**

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- Very cold weather conditions throughout the week causing all crews to shut down.

## **Downing Construction Inc.**

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- The week of December 11<sup>th</sup> Downing shut all construction operations down due to cold weather conditions. They plan to resume pressure testing the waterline after Central has completed the internal piping at the pumphouse and meter building. No work is anticipated till late January at the earliest.

## **Central Plumbing & Heating Inc.**

---

- Neither Central or any of their subcontractors performed any work the week of December 4<sup>th</sup>. Installation of internal piping at the meter building is scheduled to begin the week of December 11<sup>th</sup>. Painters are also scheduled be onsite that week painting the inside of the pumphouse.



**North Central Montana Regional Water Authority**  
**FULL AUTHORITY MEETING**  
**AE2S Conference Room (Great Falls, MT)**  
**Conference Call Number: 1-712-775-7035 Participation Code 288230#**  
**December 13, 2016 – 1:00 p.m.**

- 1) Approval of Agenda
- 2) Approval of September 27, 2016 Full Authority Meeting Minutes  
November 15, 2016 Executive Committee Meeting Minutes
- 3) Public Comment
- 4) Financials & Accounting: Approval of financials and payment of invoices
- 5) Lobbyist Effort Updates and Current Legislation
- 6) Engineering Team Updates
  - a. North Havre CWD -
  - b. Tiber Service Area -
  - c. Hill CWD -
  - d. Conrad/Brady -
  - e. Shelby/Cut Bank - *(10 flush hydrants) color yellow - shut off -*
    - a. Status Update
  - f. Shelby/Sweet Grass -
  - g. Shelby/Conrad -
  - h. Newsletter
- 7) 2017 Proposed Meeting Calendar
- 8) Bureau of Reclamation Funding = MOD 9 Update - *(57.4 million) (Shelby-North)*
- 9) CORE Pipeline Updates - *(Final design treatment plant)*
- 10) Other
  - a. Member Entity Reports - *Conrad, Carl,*
  - b. BOR, DNRC DEQ and EPA Reports
  - c. Proposed Next Meeting:
    - Executive Committee Meeting**  
Tuesday January 24, 2017 at 10:00 a.m. - AE2S Office - Great Falls
    - Full Authority Meeting**  
Tuesday March 28, 2017 at 1:00 p.m. - TBD -
    - OMR Committee Meeting**  
Tuesday February 28, 2017 at 8:30 a.m. - AE2S Office - Great Falls
    - Coordinating Committee Meeting**  
Tuesday February 28, 2017 at 10:00 a.m. - AE2S Office - Great Falls

*m/s/p*  
*m/s/p*  
*m/s/p*  
*Zink - Anterior*

11) Adjournment

*Jan 24th Meet & greet - Helena*

*Web Cam*

# 2017 Draft Meeting Calendar

## Rocky Boys/North Central Montana Regional Water System

**January 2017**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**February 2017**

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26	27	28				

**March 2017**

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**April 2017**

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30						

**May 2017**

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28	29	30	31			

**June 2017**

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**July 2017**

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23	24	25	26	27	28	29
30	31					

**August 2017**

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13	14	15	16	17	18	19
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27	28	29	30	31		

**September 2017**

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
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**October 2017**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**November 2017**

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

**December 2017**

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**RED DATES:** Authority Executive Committee Meeting at 10:00 a.m. in Great Falls at the AE2S conference room.

**BLUE DATES:** Full Authority Quarterly Board Meeting at 1:00 p.m. Location TBA.

**GREEN DATES:** OMR Committee at 8:30 a.m., Coordinating Meeting at 10 a.m. and Executive Committee at 1:00 p.m. in Great Falls at the AE2S conference room.

# ROCKY BOY'S / NORTH CENTRAL MONTANA REGIONAL WATER SYSTEM PROJECT NEWS

Fourth Quarter 2016

## IN THIS ISSUE:

Tribal Elections Update

Segment W3: Shelby to Cut Bank Construction Update

Justification for Serving Systems North of Shelby

Tiber Raw Water Pipelines Construction Update

Segment W4-B1: Shelby to Conrad Construction Contract Award

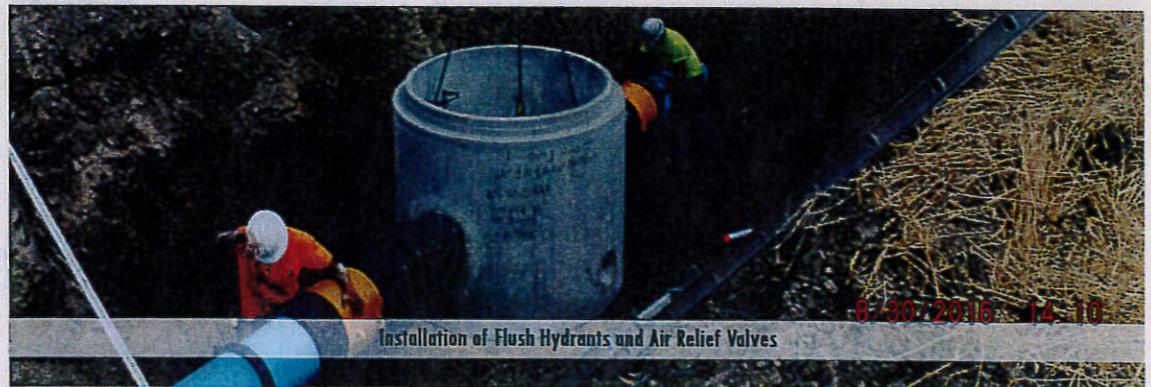
## Tribal Elections Update

The Chippewa Cree Business Committee plays an integral role in the implementation of the Rocky Boy's/North Central Montana Regional Water System Project. This article recognizes the results of the November 2016 Tribal Election. Congratulations are extended to the 2016 elected members of the Chippewa Cree Business Committee which includes Harlan Baker as Chairman, re-elected members Ted Whitford and Ted Russette; and new members Joe Demontiney and Luke Parisian. ■



Harlan Baker, Chippewa Cree Business Committee Chairman

## Segment W3: Shelby to Cut Bank Construction Update



Installation of Flush Hydrants and Air Relief Valves

Construction activities for Downing Construction (Downing) and Central Excavation (Central) continue as both contractors are making their final push before winter weather sets in and halts work for the year. All underground piping has been installed and significant progress has been made on the pump station, standpipe, and meter building.

Once all the underground piping was installed, Downing spent the next couple months installing flush hydrants and air relief valves, pouring thrust blocks on road bores, and placing topsoil back on top of the trench disturbances. Pressure testing and disinfection of the new pipeline is scheduled to take place before the end of the year.

Construction of the pump station near Ethridge is progressing, and the building is nearly enclosed. Electricity has been connected to the building, all masonry work has been completed, and the roof has been constructed. The access road to the site is currently under construction, and interior pipe work is scheduled to take place this winter.

Continued on Page 2 ►

Check out the Rocky Boy's / North Central Montana Regional Water System Project Web Site: <http://www.rockyboynorthcentral.com/>

## Segment W3: Shelby to Cut Bank Construction Update (cont.)

The standpipe was constructed in mid-October by a specialized tank contractor. To erect the tank, hydraulic jacks were used to lift the upper sections of the tank as lower panels of the tank wall were installed. The 47-foot-tall, 105,000-gallon tank will provide working pressure to the pipeline system and enable the water to flow from the standpipe to Cut Bank.

Central has also made significant progress on the meter building located on the east side of Cut Bank near the Saddle Club. Like the pump station, the meter building was constructed with CMU blocks on the interior, brick on the exterior, and insulation sandwiched between the two. Eighteen-inch inlet and outlet pipes were cast into the north and south side walls of the building to connect the building to the waterline. Installation of internal piping is scheduled to take place this winter.

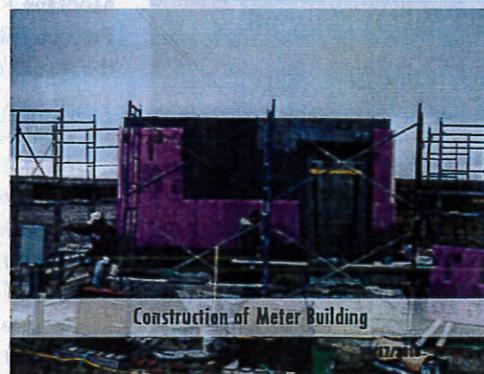
Both contractors are on schedule to achieve substantial completion by March 2017. Once operational, the waterline will provide 750,000 gallons of water per day to the City of Cut Bank to help address water shortage issues caused by chronic drought conditions. ■



Construction of Ethridge Pump Station



Installation of Standpipe Lower Panels



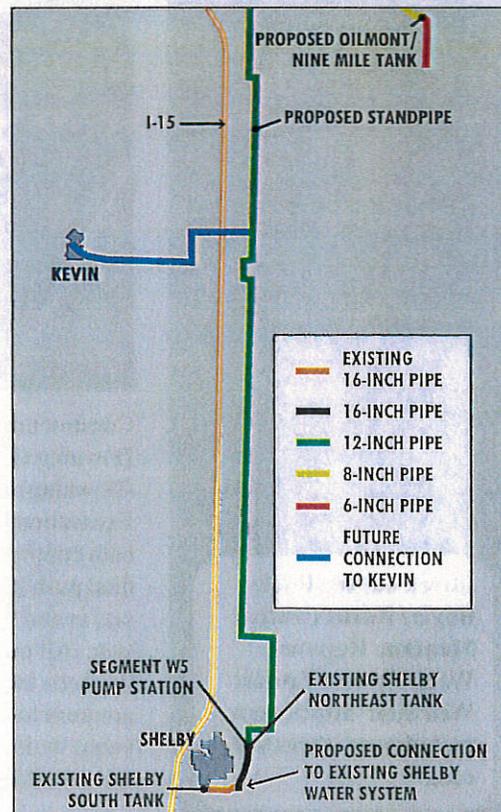
Construction of Meter Building

## Justification for Serving Systems North of Shelby

Oilmont County Water District (CWD) is located in northern Toole County and consists of a rural water system with 85 service connections. Water for the system is obtained from the Daisy Spring and the White Spring, which allows the system to operate without pumping. Historical flow rates from the springs have averaged around 70 gallons per minute (gpm), but production is variable and fluctuating low flow rates cause significant operational issues throughout the year. Along with the flow limitations, the water system recently tested positive for Total Coliform, which resulted in an Administrative Order by the Montana Department of Environmental Quality. Consequently, chlorine disinfection was installed on the White Spring and corresponding pipeline system in September 2016. While the implementation of the disinfection system on the White Spring has allowed Oilmont CWD to maintain its operation, the variable production and water restrictions during periods of low spring production prompted Oilmont CWD to participate in the Rocky Boy's/North

Central Montana Regional Water System (NCRMWS) Project. The additional capacity provided from the regional project will meet the increased demand sought by its current customers and allow connections to new customers who desire water service from Oilmont CWD. Mike Wallewein represents Oilmont CWD on the North Central Montana Regional Water Authority (NCRMWA) Board of Directors.

Nine Mile County Water & Sewer District (District) is a community of residents in a 130 square mile area of Toole County who live east of the Town of Sunburst and north of the Oilmont CWD with no water distribution infrastructure to supply them with potable water. These residents presently have virtually no reliable source of clean potable water. A handful of residents within this area have access to either hand dug water wells or natural springs; however, the water quantity is variable and can become seasonally contaminated with alkali and other



Continued on Page 4 ▶

## UPCOMING EVENTS

### Rocky Boy's/North Central Montana Regional Water System Coordinating Committee Meeting

- Feb. 28, 2017 - 10am  
AE2S Office in Great Falls

### North Central Montana Regional Water Authority Executive Committee Meetings

- Jan. 24, 2017 - 10am  
AE2S Office in Great Falls
- Feb. 28, 2017 - 1pm  
AE2S Office in Great Falls

### Quarterly Authority Meeting

- Dec. 13, 2016 - 1pm  
AE2S Office in Great Falls

### OM&R Committee Meeting

- Feb. 28, 2017 - 8:30am  
AE2S Office in Great Falls

## Tiber Raw Water Pipelines Construction Update

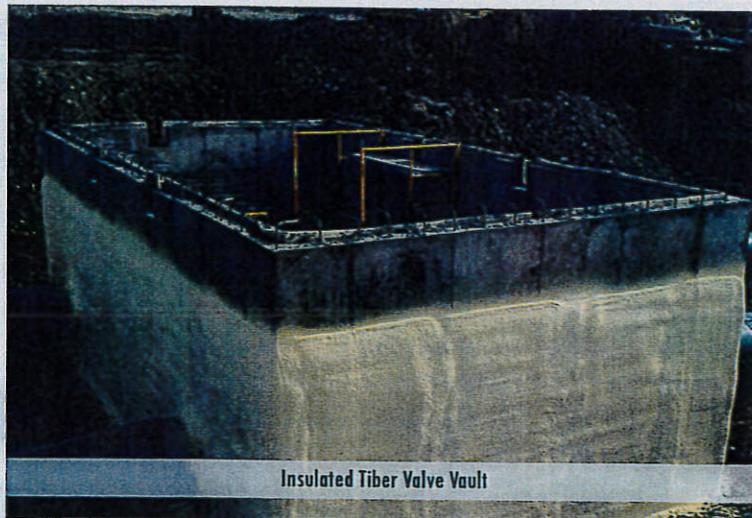
In October 2016, the Chippewa Cree Construction Corporation (CCCC) completed mainline pipe installation of the Tiber Raw Water Pipelines project. These twin 30-inch steel pipes will transfer raw water from Rocky Boy's Intake Facility (located on Lake Elwell) to the future Rocky Boy's Water Treatment Plant located approximately one mile away. CCCC utilized nearly 1,500 cubic yards of controlled density fill (CDF) to provide pipe support and aid in long-term operation of the Tiber Raw Water

Pipelines. CCCC is preparing for hydrostatic testing of the pipelines over the winter.

Following mainline pipe installation, CCCC continues to focus construction efforts on appurtenance installation, valve vault completion, and cathodic protection system installation. In conjunction with the twin raw water pipelines, CCCC began excavation efforts for the combination Riprap/Articulating Concrete Mat erosion control channel. This erosion control

channel runs for 2,000 feet and will aid in the long term sustainability of the project site.

In December 2016, CCCC plans to begin installation of the potable water line included in the Tiber Raw Water Pipelines project. This water line will deliver fresh water from the future Rocky Boy's Water Treatment Plant to the Intake Facility with service stops at the future operator's quarters and treatment plant supervisors house. ●



North Central Montana Regional Water Authority  
PO Box 2456  
Havre, MT 59501



First Name Last Name  
Address  
City, State Zip

### Justification for Serving Systems North of Shelby (cont.)

contaminants. Residents without access to a well must haul water from Sunburst in trucks and tankers to deliver water to their cisterns. During the summer months, some residents haul as much as 6,000 to 7,000 gallons per week for domestic use as well as livestock and agricultural purposes - the principal livelihood of this region. Water that

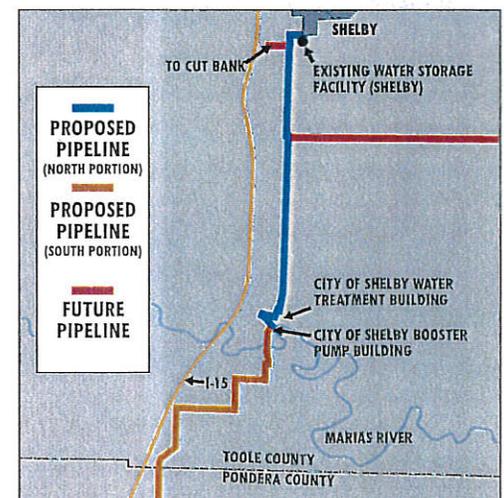
is transferred by trucks and tankers is gravity fed to individual cisterns which are stored underground. Each transfer point (Sunburst water source, to the transfer water tank, to the cistern) has the potential to expose the water to contamination. The District was established in December 2015 to help these residents obtain clean, potable water. To that

end, the District recently petitioned and was accepted as a participating water system in the Rocky Boy's/NCMRWS Project. Mike Wallawein is the District Chairman and Lisa Kearns represent the District as a member of the NCMRWA Board of Directors. ●

### Segment W4-B1: Shelby to Conrad Construction Contract Award

The North Central Montana Regional Water Authority (NCMRWA) held a bid opening on August 25, 2016, for Segment W4-B1: Shelby to Conrad of the Rocky Boy's/NCMRWS Project. The NCMRWA worked with the Bureau of Reclamation, the Montana Department of Natural Resources and Conservation, and the Montana Department of Environmental Quality to award the construction contract. Downing Construction, Inc. of Columbia Falls was the low bidder and was awarded the project in the amount of \$3,901,280 on October 17, 2016. A Notice To Proceed was issued in late November for construction consisting of pipe

installation at the north end of the project. Construction will continue from the date of the Notice To Proceed until the frost depth makes excavation and backfill unfeasible. The remaining work on the north portion of the project, consisting of additional pipe, road bores, gate valves, air/vacuum valves, connection to existing systems, flushing and testing, and seeding, will be completed during the 2017 construction season beginning in early spring and finishing up prior to the end of July 2017. The boring of the Marias River, the southern portion of the project, and final cleanup will be completed prior to November 30, 2017. ●





December 13, 2016

State Farm Insurance  
P.O. Box 106173  
Atlanta, GA 30348-6173

Re: Member Entity: City of Shelby  
Your Insured: Fisher, Don  
Your Claim #: 26-8D29-331  
Our Claim #: GC2016037900  
Date of Event: 3/3/2016

Dear Subrogation Department:

This in response to your subrogation claim against the City of Shelby, MT. I have fully review the subrogation demand and packet outlined in your October 27, 2016 correspondence.

The City of Shelby is legally responsible for claim related damages taking actual cash values into consideration. Review of the documentation provided shows a total actual cash value of \$35,995.04. The acv reflects the total loss prior to applying your insured's deductible.

- Structure/Building ACV: \$33,183.90
- Personal Content ACV: \$ 2,811.14
- Total ACV Loss: \$35,995.04

I have enclosed a property damage release in the amount of \$35,995.04. If you concur, please have an authorized representative for State Farm Insurance execute the release before a notary and return it to the MMIA for processing. A payment as outlined will be issued directly to State Farm Insurance upon receipt of the properly executed release.

Feel free to contact me should you have any questions.

Sincerely,

Mark Gauthier  
Senior Liability/Property Claims Adjuster  
mgauthier@mmia.net  
800-635-3089, Ext: 117  
406-495-7007

CC: City of Shelby

Enc.

## Lori Stratton

---

**From:** Larry Bonderud  
**Sent:** Tuesday, December 13, 2016 4:26 PM  
**To:** Lori Stratton  
**Subject:** Fwd: MT Infrastructure Coalition Actions

Packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

**From:** Melissa Lewis <[melissa@mlewisassoc.com](mailto:melissa@mlewisassoc.com)>  
**Date:** December 13, 2016 at 4:22:36 PM MST  
**To:** Larry Bonderud <[larry@shelbymt.com](mailto:larry@shelbymt.com)>  
**Subject:** **MT Infrastructure Coalition Actions**

Hi Mayor,

Per your request, I attended the MT Infrastructure Coalition meeting from 9am to 1pm today. Below is a summary of decisions made.

### **Local Option Infrastructure Tax**

4% Maximum Infrastructure Tax

Contingent upon local voter approval

Mandatory sunset. Duration to be determined by each community.

Eligible list of taxable items is identical to resort tax (7-6-1503)

At least 10% of any new revenues collected is required to go to property tax relief

Allocation of funds limited to roads, bridges, water, sewer, storm water

Only applies to existing taxing jurisdictions-cities, towns, counties (unincorporated cities/towns are not included)

Revenues collected stay with the taxing jurisdiction unless a different formula is determined by taxing jurisdiction/voters

Policy statement to be included to encourage taxing jurisdictions to hire private contractors for work paid for with newly collected funds

### **State Fuel Tax**

.10 cent fuel tax increase on gas and diesel

Would generate \$80 million per year

40% would go to MDT

60% would go to cities and counties

- Of that amount, 60% to cities and 40% to counties

Mandatory contracted services for work paid for with newly collected funds

Allocation of funds limited to roads and bridges

Rural/urban formula to be determined (likely 40 percent rural set aside, 40 percent based on population and 20 based on land area).

Increased vehicle registration fees for electric and hybrid vehicles (amount to be determined)

**Coal Trust Fund**

TSEP Sunset stays intact

No new subtrust

Bonding capacity to provide immediate funds

Distribution formula to be determined by the MT Dept of Commerce

- All cities, towns and counties will receive funding
- Mandatory reports to the legislature

\*This option likely does not have much Democratic support, as it conflicts with Governor Bullock's infrastructure bill

Let me know if you have any questions!

Melissa

Melissa Lewis

800 E. 6<sup>th</sup> Avenue

Helena, MT 59601

Cell: 406-465-8045

Office: 406-422-0988

[www.mlewisassoc.com](http://www.mlewisassoc.com)

## Lori Stratton

---

**From:** Larry Bonderud  
**Sent:** Tuesday, December 13, 2016 12:15 PM  
**To:** Lori Stratton  
**Subject:** Fwd: Main Street ADA Ramps - Shelby  
**Attachments:** FW: Falls; ATT00001.htm; FW: Painting of ramps and crosswalks; ATT00002.htm

Council.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

**From:** "Klette, Michael" <[mklette@mt.gov](mailto:mklette@mt.gov)>  
**Date:** December 13, 2016 at 12:12:29 PM MST  
**To:** "Lorette Carter ([shbcdc@3rivers.net](mailto:shbcdc@3rivers.net))" <[shbcdc@3rivers.net](mailto:shbcdc@3rivers.net)>  
**Cc:** "Larry Bonderud ([larry@shelbymt.com](mailto:larry@shelbymt.com))" <[larry@shelbymt.com](mailto:larry@shelbymt.com)>, "Wilmot, Doug" <[dwilmot@mt.gov](mailto:dwilmot@mt.gov)>, "Hibl, Richard" <[rhibl@mt.gov](mailto:rhibl@mt.gov)>, "Maze, Matt" <[mmaze@mt.gov](mailto:mmaze@mt.gov)>, "Thielmann, Kevin" <[kthielmann@mt.gov](mailto:kthielmann@mt.gov)>  
**Subject:** Main Street ADA Ramps - Shelby

Lorette,

The Department conducted a review of the project, which was designed by KLJ and constructed to the plans and specifications, on 11-28-16 to assess the concerns that Mayor Larry Bonderud and Mr. Reasch had with the newly placed sidewalks and ramps.

It was determined that if the vertical curb conditions continue to pose operational issues, the Department would consider painting all of the vertical or returned curb surfaces yellow when weather conditions permit.

The ramp at the Rainbow Centre will remain as is per the ADA Standards, section 405.2 (Slope) which states "To accommodate the widest range of users, provide ramps with the least possible running slope and, wherever possible, accompany ramps with stairs for use by those individuals for whom distance presents a greater barrier than steps, e.g., people with heart disease or limited stamina."

Thanks.

January 19, 2017  
Governance 1-5pm location TBD



# LOCAL GOVERNMENT CENTER OFFERED TRAININGS

## CAPACITY BUILDING

- Real Colors®
- Real Colors® Teams
- Real Colors® Leadership
- The Futures Game®
- Customer Service
- Workplace Bullying
- Employee Motivation
- Employee Management
- Conflict Management
- Ethics/Nepotism
- Team Building
- Negotiation Styles
- Multi-Generation Workplace

## FACILITATION

- Strategic Planning
- Community Engagement
- Strategic Long-term Planning
- Participatory-Based Budgeting
- Candidate-Forum Moderation
- Employee Dispute Mediation
- Interlocal Agreements
- Civic Dialogue

## ANNUAL AND CURRICULUM-BASED

- Regional Training
- Executive Academy
- Municipal Institute
- Elected Officials
- County Officials
- Clerks of District Court
- Bozeman Ethics
- Billings Ethics
- Webinars

## GOVERNANCE

- Open Meetings
- Meeting Notice
- Closed Meetings
- Public Records
- Ethics/Nepotism
- Course, Scope, & Liability
- Good Governance
- Parliamentary Procedure
- By-Laws
- Public Participation
- Montana Statutes
- Effective Meetings
- Roles & Responsibilities
- Board Training
- Special Districts
- County & Municipal Trainings
- Voter Review/Forms of Government

Customized Training  
as Needed or Requested

## POTENTIAL OFFERINGS

- Creating Highly Effective Teams
- Leadership Challenge® Workshops
- DiSC® Management
- Leadership in Government
- Emotional Intelligence

1pm to 5 Jan/Feb

# CITY OF SHELBY

# 2017

Key: Holidays  Council Mtg  Planning Brd Mtg  Park & Rec Mtg 

January

S	M	T	W	T	F	S
	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**CITY OF SHELBY  
MONTHLY ANIMAL CONTROL REPORT**

November 2016  
(Month) (Year)

**Animal Control Calls and/or Complaints**

		Dog Cat Other		
City Hall or Public Works.....	10	7	-	3
Sheriff's Office.....	13	12	-	1
On Patrol.....	11	8	-	1 - 2

**Fees Collected by Animal Control Officer**

Destroyed- Animals brought in.....	0
License.....	0
Pound .....	0
Rabies Shot.....	0

**Pound Activity**

Animals in pound at end of last month.....	8	Dog	Cat	Other
Impounded..... +	2	2	6	
Destroyed - Animals from pound..... -				
Destroyed - Animals brought in..... +				
Released/Returned to owner..... -	4			
Total in Pound Month End - - - - - >	6	1	5	

**Dead Animals**

Marias Vet Clinic.....	0
Other (list where picked up):	0

**Vehicle Log**

Gallons of Gas.....	37.7
Mileage - current month reading.....	87815
Mileage - previous month reading.....	87624
Total Mileage.....	191

**Warnings and/or Citations**

Verbal Warnings.....	6
Written Warnings.....	0
Citations Issued.....	0

**Licenses Issued**

Month.....	_____
Year to Date.....	_____

  
Animal Control Officer.

cc: City Superintendent  
City Council (deliver to City Hall 1st of month)  
Animal Control file